



Improving the development of social enterprise in Vietnam

Case: Center for Social Initiatives Promotion (CSIP)

LAHTI UNIVERSITY OF APPLIED
SCIENCES

Degree programme in International
Business

Bachelor's Thesis

Autumn 2013

Nguyen Thuy Trang

Lahti University of Applied Sciences
Degree Programme in International Business

Nguyen Thuy Trang

Improving the development of social
enterprise in Vietnam
Case: Center for Promotion Initiatives
Center (CSIP)

Bachelor's Thesis in International business, 93 pages, and 10 pages of appendices

Autumn 2013

ABSTRACT

The concept of social enterprise has emerged centuries ago in the world, and now it has become a significant social movement across continents. The reason behind its successful growth is that social enterprise brings a more sustainable economy. Unlike the usual traditional enterprise, it does not focus on profit maximization but to use surplus as a means to solve social issues. Furthermore, it advances nonprofit in the ability to financially self-sustain.

Social enterprise has been entering Vietnamese economy for many decades. Surely, the concept is gaining momentum. However, being at a new and young stage of development, social enterprise meets a lot of issues from both inside and outside. Center for Social Initiatives Promotion Organization (CSIP) is currently the first official Vietnamese nurturing center which takes responsibility to promote and connect social enterprises along Vietnam.

The main objective of this thesis is to give recommendations for CSIP, contributing to the better development of social enterprise in Vietnam.

In this study, the author uses both deductive and inductive research approach together with qualitative method. The collection of primary and secondary data is performed. The primary sources are acquired through the survey and follow-up interview with a sample of ten chosen Vietnamese social enterprises. The secondary data is obtained from published sources such as books, academic papers, journals and different electronic forms.

The thesis's core consists of three main parts. First, the author examines the context and concept of social enterprise worldwide. The author especially undertakes a detailed review on the study of the analytical model. Second, the author builds an empirical research on Vietnamese social enterprises based on the above study in order to detect the biggest issue and compose the optimal solutions. Last, on the basis of optimal solutions and CSIP current solutions, the author benchmarks to construct the recommendations.

Key words: social enterprise, analytical model, success components, Vietnam, CSIP, chosen social enterprises, issue, optimal solutions, current solutions and recommendations.

Contents

INTRODUCTION	1
1.1 Background information	1
1.2 Thesis objectives and research questions	2
1.3 Thesis structure	3
1.4 Thesis methodology	5
1.5 Thesis scope and limitations	6
2 BACKGROUND KNOWLEGDE ON SOCIAL ENTERPRISE	7
2.1 Social enterprise from contextual perspective	7
2.1.1 The emergence of social enterprise	7
2.1.2 The evolvement progress of social enterprise	12
2.2 Review on the definitions of social enterprise worldwide	16
2.2.1 Non-Universal definition	16
2.2.2 Social enterprise characteristics	19
2.3 The benefits of social enterprise	22
3 SOCIAL ENTERPRISE ANALYTICAL MODEL	25
3.1 General introduction of the study	25
3.2 Success components of social organization	26
3.2.1 Mission	27
3.2.2 Grounded in the community	28
3.2.3 Organizational vitality	29
3.2.4 Democratic management process	30
3.3 Success components in a business	32
3.3.1 Market/Product and activities	32
3.3.2 Operations	36
3.3.3 Human resources	37
3.3.4 Financial resources	39
3.4 The secret to a successful performance	42
4 ANALYZING SOCIAL ENTERPRISES IN VIETNAM – ISSUE ACKNOWLEDGEMENT	44
4.1 Research sample and research progress	44
4.1.1 The representativeness of the sample survey	45
4.1.2 Research in progress	46
4.2 Biggest issue acknowledgement	47

4.2.1	The most underperforming component	47
4.2.2	Strength evaluation	50
5	RECOMMENDATIONS FOR CSIP ORGANIZATION	54
5.1	Suggested optimal solutions for the biggest issue	54
5.1.1	External analysis - STEEPLE	54
5.1.2	The optimal solutions	60
5.2	Recommendations for CSIP organization	69
5.2.1	CISP introduction	70
5.2.2	Benchmarking CSIP's solutions against the optimal solutions	71
6	CONCLUSION AND FURTHER RESEARCH	77
6.1	Conclusion	77
6.2	Further research	79
7	SUMMARY	81
	REFERENCES	83
	APPENDICES	94

LIST OF FIGURES

FIGURE 1: Thesis structure

FIGURE 2: The emergence of social enterprise in the United Kingdom

FIGURE 3: The emergence of social enterprise in Europe

FIGURE 4: The emergence of social enterprise in the USA

FIGURE 5: The emergence of social enterprise in Asia

FIGURE 6: Ecosystem of UK social enterprises (CSIP 2012)

FIGURE 7: Some milestone in policies of Thai government for social enterprise (TSEO 2013)

FIGURE 8: Concrete characteristics of social enterprise (VCASD 2007)

FIGURE 9: Social enterprise's impact on society (Carbinetoffice 2006)

FIGURE 10: Social organization's success factors (RISQ 2009)

FIGURE 11: Business's success factors (RISQ 2009)

FIGURE 12: Operation equilibrium (RISQ 2009)

FIGURE 13: Success components in social enterprises (RISQ 2009)

FIGURE 14: Components' overall score by the survey

FIGURE 15: Vietnamese GINI index 2010 (WorldBank 2013)

FIGURE 16: Solution components

FIGURE 17: Elements of financial capital strategy

LIST OF TABLES

TABLE 1: Mission assessment criteria (Gregory Dees et al. 2001)

TABLE 2: Grounded in the community assessment criteria

TABLE 3: Organizational Vitality assessment criteria (Harvey 2012)

TABLE 4: Democratic Management assessment criteria

TABLE 5: Market/Products assessment criteria

TABLE 6: Operations assessment criteria

TABLE 7: Human Resources assessment criteria

TABLE 8: List of various financial capital sources (Drew & Sunny 2012)

TABLE 9: Financial Resources assessment criteria

TABLE 10: Characteristics of the sample of Vietnamese social enterprises

TABLE 11: Financial Resources – element average score

TABLE 12: Mission – elements average score (Survey responses 2013)

TABLE 13: Organization Vitality – elements average score

TABLE 14: Democratic Management System – elements average score (Survey responses 2013)

TABLE 15: Human Resources – elements average score (Survey responses 2013)

TABLE 16: Vietnamese social enterprises' Strength

TABLE 17: Opportunity and Threat in Vietnamese market

TABLE 18: TOWS Matrix

TABLE 19: Recommendation for definition system

TABLE 20: Research questions and main findings

INTRODUCTION

1.1 Background information

People and the government have been so familiar with two types of distinct, contrasting organizations: nonprofit organizations and commercial organizations. On one side, non-profit organizations such as non-government organizations (NGOs), foundations, associations, etc. rely on donations and financial support sources (also from for-profit enterprises) to deliver a better change in society, economy and environment. On the other side, traditional for-profit enterprises use strategies to optimize financial surpluses and distribute them to their shareholders. These commercial organizations' activities often portrait a zero-sum game between the economic prosperity and the environmental protection (Sema Sakarya et al. 2012). That is why they are contradicting in relation with society.

In fact, affected by the needs of daily life and emerging trends in the business world, traditional enterprises started to share parts of their financial return to programs such as Corporate Social Responsible (CSR) with the aim to contribute to a better society (Alessia D'Amato et al. 2009). Meanwhile, nonprofits started to have their own financing ways to fight against the budget constraint (Brett R. Smith et al. 2012). They could not merely rely on funding or charities from government or companies in economic downturns.

The changes in the nature of those two types of organization have surged a major social movement across continents. This movement was the expansion of a new organization type – social enterprise. It emerged as an essential player in the market economy. Social enterprises not only have more market-driven than traditional nonprofits but also more society-driven than traditional for-profit companies. They have capacities to self-sustain, activities to generate earned income which in turn will provide consistent cash flow to further the social mission.

Social enterprises have appeared in Vietnam from the mid-1990s (DDDT 2013). Along with other social organizations, they have significant contributions to the economic growth such as poverty reduction, environment protection, social

justice, etc. CSIP (Center for Social Initiatives Promotion) is a non-governmental and non-profit organization, a first official Vietnamese center working to promote the development of social enterprises in Vietnam (CSIP, About us: CSIP, 2013). Nowadays, the Vietnamese government is facing increasingly complex social and environmental issues. It asks for a larger role of social enterprises to solve those issues. However, as the nature of social enterprise – a two platform model, it creates itself a lot of complications. Social enterprise is often seen stuck in the process of finding equilibrium between social actions and commercial activities (Pam Seanor et al. 2007). It is essential for CSIP to have effective promoting programs and activities resolving issues and supporting the development of the social enterprise sector. This study aims to discover the biggest issue and then to propose supplementing recommendations for CSIP current solutions.

1.2 Thesis objectives and research questions

The purpose of the thesis is to suggest the recommendations to CSIP organization in order to improve the development of social enterprises in Vietnam. The recommendations would have an effect on diminishing the biggest existing issue. The study will guide through the historical context and concept of social enterprise phenomenon in Vietnam and different continents. A study of the analytical model for social enterprise is introduced as the most important theoretical framework throughout this thesis. With the help of ten chosen Vietnamese social enterprises, a survey and interviews will be conducted to assess the biggest issue and the optimal solutions. The optimal solutions consequently are used to benchmark against the CSIP current solutions. At last, the author composes recommendations that would empower CSIP to promote social enterprises successfully.

The main research question: What should CSIP do to improve the development of social enterprises in Vietnam?

The sub-questions are formed to simplify answering the main research question.

- What is the concept of social enterprise?
 - o What are the characteristics of a social enterprise?

- What is the analytical model for social enterprise?
- What is the biggest issue affecting the development of social enterprises in Vietnam and how to resolve it?
 - What is the biggest issue that Vietnamese social enterprises facing?
 - What is the solution from the external environment in Vietnam?
 - What is the solution from inside the Vietnamese social enterprise?

1.3 Thesis structure

The thesis is divided into two main parts: the theoretical part and the empirical part.

Firstly, the theoretical framework is located in chapter 2 and 3. These chapters aim to provide readers the concept and the analytical method of social enterprise. In chapter 2, the author introduces the background knowledge on social enterprise. The chapter includes the history of emergence, the definition and the benefits of social enterprise. The literature acts as references for the empirical part.

In chapter 3, a social enterprise's analytical model – an evaluation method of success components studied by Réseau d'Investissement Social du Québec (RISQ) is explained. This chapter plays an important role since this is the main theoretical framework to apply into the empirical part.

Secondly, the empirical part of the thesis will be carried out throughout chapter 4 and 5. Chapter 4 has two smaller parts. One part sets the scene for this research in how representative the research data is and what the research method is. The other part is the disclosure of the research result. The result indicates the biggest issue in Vietnamese social enterprises.

Chapter 5 presents the recommendation for CSIP. This chapter also has two smaller sections. Foremost, the author investigates on the optimal solutions for the finding issue based on external analysis and TOWS Matrix. From the formulated solutions, the author compares with what solutions CSIP has provided to Vietnamese social enterprises. The benchmarking will compose the recommendations helping CSIP give the most comprehensive solutions to the better development of the Vietnamese social enterprise sector.

Chapter 6 is the conclusion consisting of main findings and further research.

Chapter 7 concludes the thesis a final summary.

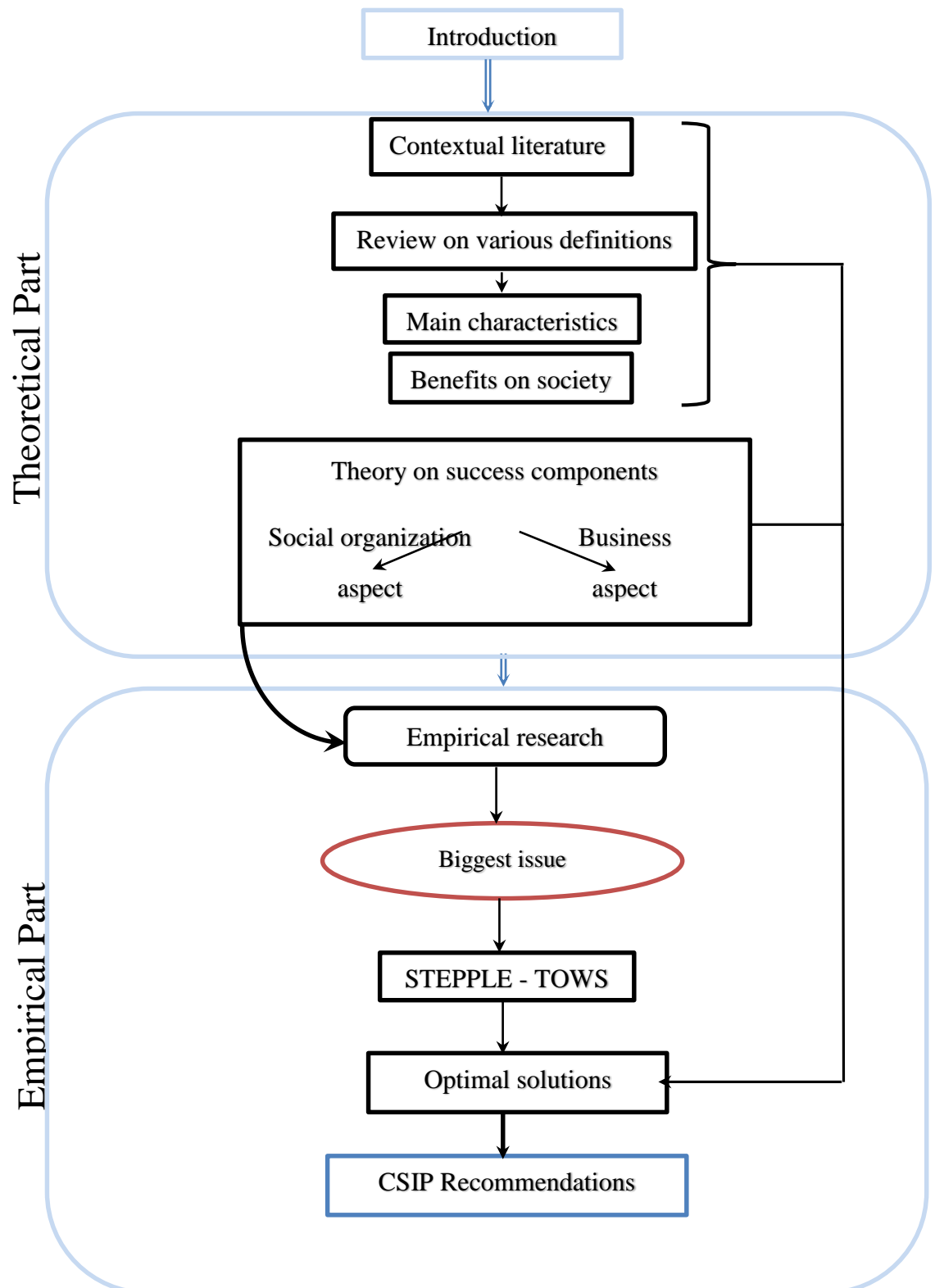


FIGURE 1: Thesis structure

1.4 Thesis methodology

Research approach

Deductive research and inductive research are two common forms of applied approach. Deductive research which is informally called as “top-down” approach, works from a more general theory to more particular hypothesis. On the contrary, an inductive research or “bottom-up” approach first examines specific observations. Then it formulates generalized patterns to develop a general conclusion or theory. Often, the combination of these two types of research is commonly used in order to advance any argument. (Saunders et al. 2009, 124-126; Ghauri et al. 2002, 13-14.)

In this thesis, deductive and inductive researches are alternatively used. However, the first part of it which uses theories to clarify the main concept will see the only use of deductive approach. Meantime, the second part in which surveys and company cases are analyzed will be the combination of deductive and inductive approaches.

Research method

In this thesis, qualitative research method is adopted. Qualitative is usually used to build and explain hypothesis (Ghauri et al. 2002, 88). While the former part of the thesis concerns the construction of the conceptual framework, the qualitative research provides information on the social enterprise’s context in different countries. The latter part of the thesis – empirical case investigates on the survey and interview responses. This research method allows the inductive reasoning through communications and observations (Anderson J. D. 2006).

Data collection

In this thesis, the author uses information from both primary sources and secondary sources. The primary data are gathered by various methods:

- Survey: chosen companies answered to limit questions. The questions are the close-ended type.

- Follow-up interview: chosen companies and the CSIP would follow the stream of initial data collection to answer more questions. The questions are sent through email forms.

The secondary data sources are obtained from books, journals, articles, previous study. A major source of information is the company websites where the reports and news were posted.

1.5 Thesis scope and limitations

It is necessary to identify that the research was narrowed to ten chosen social enterprises. Moreover, those ten enterprises were suggested by CSIP organization, which have been through much training and received more helps compared to others. These features could affect the generalizability character of the sample.

Furthermore, the social enterprise literature in the world is still new. Especially for developing country like Vietnam, the resource is even scarcer. There is no legally authoritative organization managing social enterprise sector. These issues have caused the author difficulties in finding materials and analyzing the market. However, the chosen social enterprises were very active and dedicated in participating the surveys and follow-up interviews. These practical opinions have been a valuable information source throughout the study process.

2 BACKGROUND KNOWLEGDE ON SOCIAL ENTERPRISE

The concept of social enterprise is gaining momentum in business schools all over the world. At the same time, social enterprise indicates a valuable business model in the economy. Yet, its understanding or formed definition varies across continents and countries. This chapter focuses on three topics.

- Historical and evolutionary progress of social enterprise
- Review on the definition of social enterprise worldwide
- Benefits of social enterprise

2.1 Social enterprise from contextual perspective

The deeper the historical context is analyzed, the better understanding of what the key factors were that shaped the characteristics of social enterprise and which driving forces were in the development progress (Jacques Defourny & Shin-Yang Kim 2011; Kerlin 2012).

2.1.1 The emergence of social enterprise

The author mainly discusses the emergence roots in the United Kingdom, Europe, United States and some Asian countries.

The United Kingdom

The term of social enterprise appears in all of the seven regions and countries nowadays. However, it was developed firstly in the United Kingdom (the UK) around 17th centuries. MacDonald & Howarth's research (2008) revealed that the epidemic in 1665 has set off the emergence of social enterprise (CSIP, British Council & CIEM 2012). As the severe result of the plague, many poor people in London became unemployed due to the evading of wealthy employers. There was a man named Thomas Firmin who established a manufacturing using his own money to supply materials for the operation and provided employments for 1700 people. He also announced that he would not pursue the maximizing profit but to transfer profit to charitable funds. (Gordon Liu et al. 2013.)

Steps by steps, the number of social enterprises increased every year. Up to late 18th and 19th centuries, the social enterprises in the UK could be divided into two groups:

- Social enterprises were established by wealthy people who have changed their minds in how to offer charities. As an idiom always says, “the devil makes work for idle hands”, wealthy people stopped providing lazy money meanwhile started providing training opportunities for the poor
- The second group was the model allowing employees to enjoy more of their labor rights or the distribution of a company's profit such as cooperatives, Provident Societies, and Industrial Societies. Under those kinds of company, working labor started gaining more and more their sayings in the operation of the business. (CSIP, British Council & CIEM 2012.)

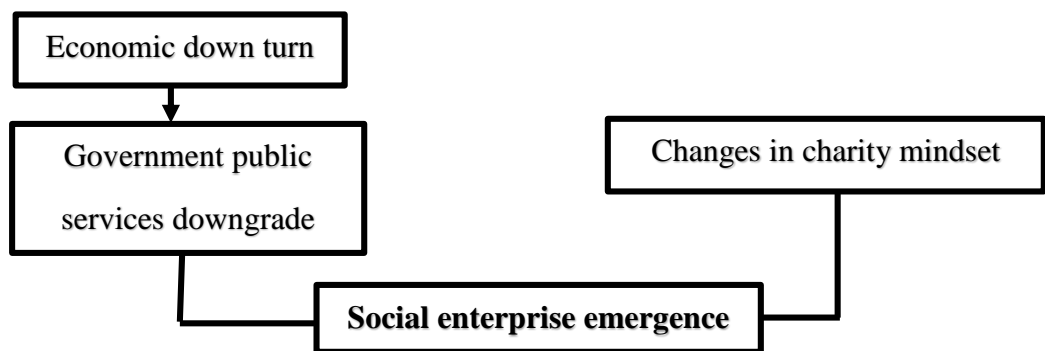


FIGURE 2: The emergence of social enterprise in the United Kingdom

Europe

The recession and slowdown of the economy in the whole Europe have spurred on the appearance of this model. 40% of the European's unemployed were considered “long-term unemployed” (Doeringer 2010). The civil society had to respond to the lack of actions from government to provide job assistant and reintegration. Although the State did have employment programs, they were proved to be ineffective due to shrinking resources and falling revenue. In Western Europe, society saw more so-called social-cooperatives which literally were the integrations of unemployed stepping in to provide public services and

social welfare. These were the typical types of social enterprise at that moment. (Roger Spear & Eric Bidet 2005.)

On the other hand, in East-Central Europe, in addition to a faltering economy, the dramatic withdrawal of the State led to a bit more different form of social enterprise established. A huge quantity of unemployed reflected the obsolete communist rules. In order to mitigate the situation, actions have been done both inside and outside the region. First to mention was that many aids and policy recommendations were given by the international community. Second to mention was a small number of social reformers who constituted social enterprises and used them as the solutions. (LesE.et al.2009, according to Roger Spear & Eric Bidet 2005.)

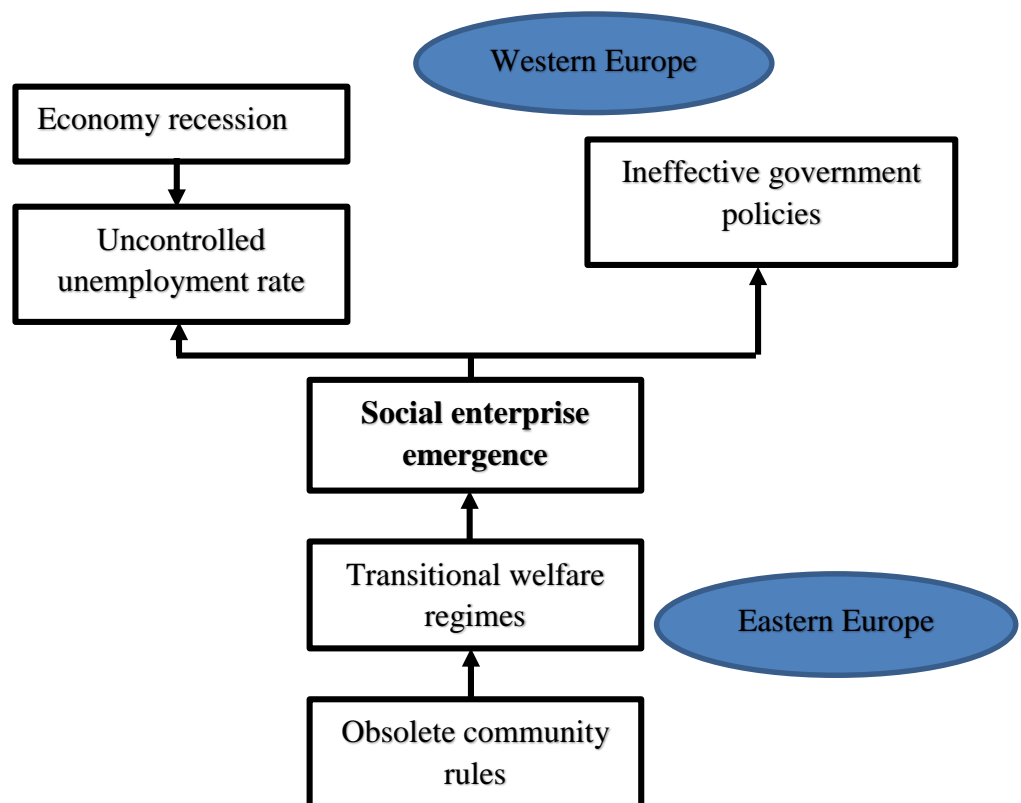


FIGURE 3: The emergence of social enterprise in Europe

The United States

Another story in the United States, the root of contemporary social enterprise movement was the government undercuts in funds supporting nonprofits. Government can only steadily support charity funds if their budget is not too tight to check the list of all priorities in which sponsoring nonprofits at the bottom. As the consequence of the slowdown economy in the late 1970s, in the 1980s government had to cut on funds for nonprofit organizations to compensate the deficits. Hence, those organizations must self-provide by the generation from commercial revenue to compensate that loss from government. (Crimmins J. C. & Keil M. 1983; Eikenberry A. & Kluver J. 2004.)

One more factor that the enterprising behavior derived from beings the desire to earn income rather than to simply get it from donors or funds. Nonprofits also had to face the growing competition as many other successful business models. They could not just wait for the scarce funds which eventually would push them to the degradation of the organization. (Salamon 1993.)

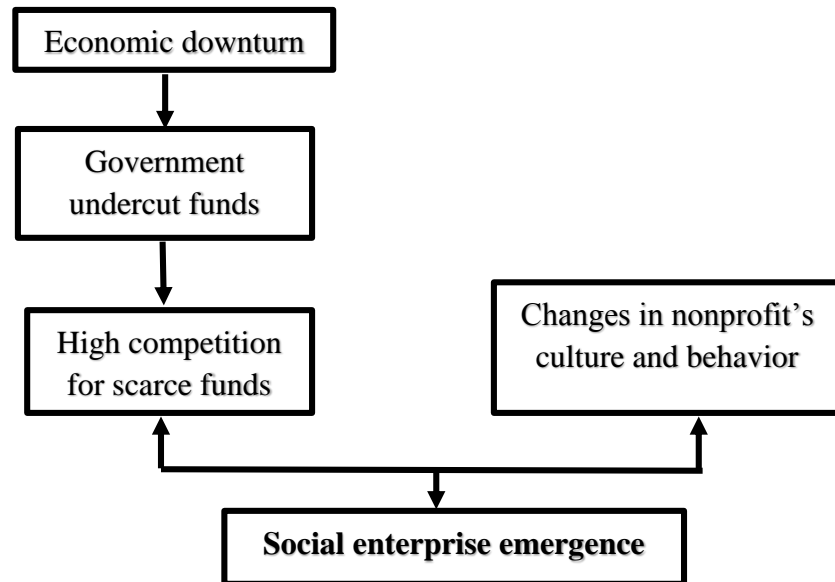


FIGURE 4: The emergence of social enterprise in the USA

Asia

In Asia, the emergence of social enterprises was attributed to the economic crisis in the late 1990s (Jacques Defourny & Shin-Yang Kim 2011). It has always been a long history of poverty and high rate of unemployed in Asian countries. The situation which got much worse after the crisis had revealed the weakness and limitation of government in executing welfare programs on its own (Jacques Defourny & Shin-Yang Kim 2011). The social ventures appeared ushering the solution to unemployment, pollution and scarce environment resources problems simultaneously.

Both Japan and South Korea share a quite similar developing stage of social enterprise. In 1995, the poor responses from government to the earthquake Hanshin-Awaji in Japan had generated a massive increase in volunteering. These spontaneous initiatives of solidarity revealed the power of civil society actions and led to the establishment of social enterprises (Tsukamoto I. & Nishimura M. 2009).

Meanwhile in South Korea, the economy crisis in 1997 truly awakened the needs to invent new types of enterprise. Welfare expenditure increased significantly and public funding came under pressure. (Kim 2009.)

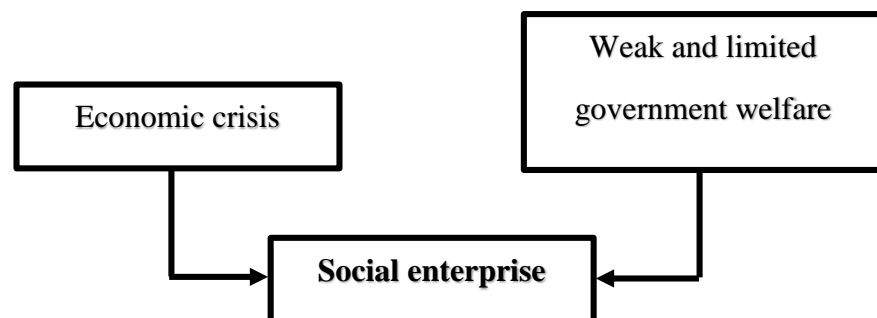


FIGURE 5: The emergence of social enterprise in Asia

All in all, the original of social enterprise was the ineffective programs and vague role of the governments in addressing social issues or the undercut for nonprofits' funds. According to Jacques Defourny & Shin-Yang Kim (2011), the massive

spreading of social enterprise phenomenon vitally engaged with the “transitional welfare regimes” and “the globalization process”.

2.1.2 The evolvement progress of social enterprise

In the last 30 years, we have beheld the explosive growth of social enterprise. This model has grown beyond borders to generate significant influences. The factors that are considered to be the attribution of its development are:

- First, humanity values are on the rise (Mike Bull et al. 2010). People care more about people, living environment. It is the fact people would rather live in a world without poverty, disease and needless suffering (Muhammad Yunus et al. 2010). The trends for movement such as Fair Trade, CSR and so on got approved from all nations.
- Second, the government's policies and promotion programs played a tremendous role in supporting the development of social enterprise. Nowadays, social enterprises can easily connect, share information, experiences and resources to each other thanks to the globalization process.
- Last but not least, the development of social enterprises cannot happen if it had not been for the presence of social impact investors (Mark & Roger 2013). They are the pioneers in the mind changing effect. They refuse to maximize the profit but instead to re-invest to the better process of business. They create the common forums where all investors can meet up, share, and discuss. All in all, they are making a link for social enterprise to go inter-national. Their contribution to the improvement in developing or underdeveloped countries cannot be denied.

The United Kingdom

UK is the leading country of social enterprise movement in the world. According to a DTI survey (IFF 2005), the number of social enterprises in the UK was estimated to be 15000 enterprises, with the combined revenue of 26.83 billion euros (GBP 18 billion) which contributed to national GDP of over 7.47 billion euros (GBP 5 billion) a year (Kay 2011). These social enterprises employed half

of million people and accounted for 1.2% of all enterprises in the UK. 66% of 475000 – almost half a million workers were full-time employed, not to mention more than 300000 people were volunteering as the input of social enterprise. The average income generated from commercial activities in social enterprises in the UK made up to 82% of total revenue. (Chris Mason & Maureen Royce 2011.)

The UK Department of Trade and Industry (DTI) announced the official definition for social enterprise for the first time in 2002. In 2005, a new legal framework for social enterprise was issued in which they were named Community Interest Company – CIC (Roger Spear & Eric Bidet 2005). However, they still can choose to register under different names such as Limited Company, Joint Venture, NGOs, Fund, and Association, etc.

Social enterprises have appealed to the UK government as a vehicle for grafting economic and social regeneration in communities. The UK government had launched many policies to build up and strengthen the ecosystem of social enterprise (Figure 6).

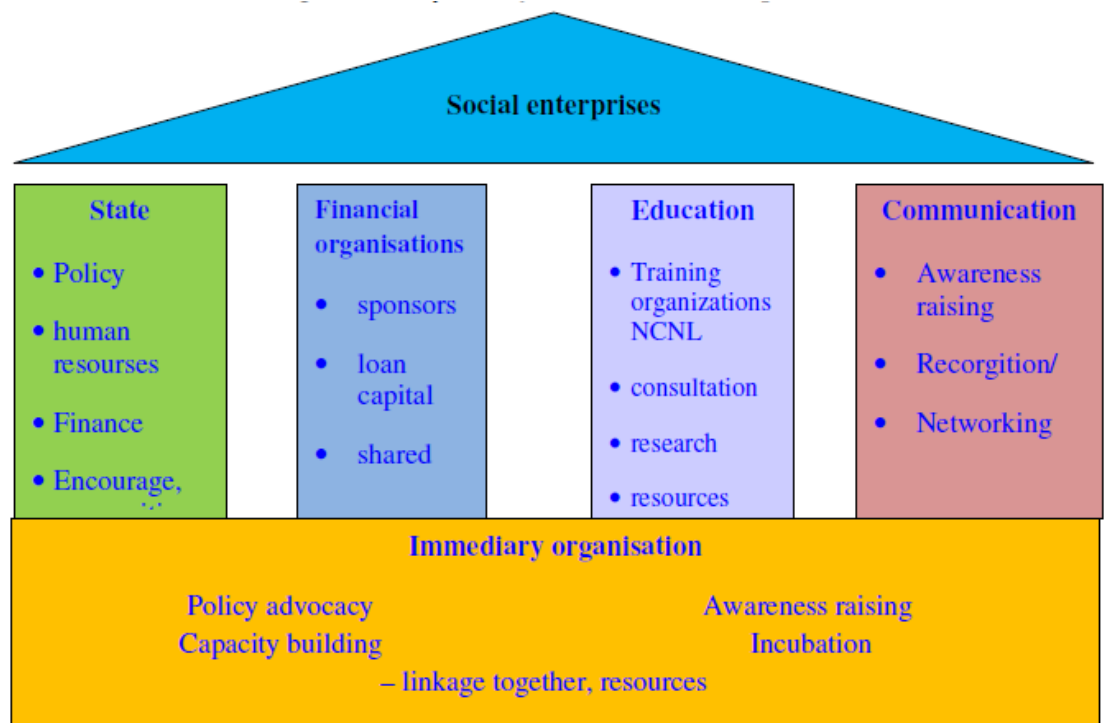


FIGURE 6: Ecosystem of UK social enterprises (CSIP 2012)

Approximately, 315 billion pounds has been mobilized to support social enterprises. In 2010, UK government promoted a program called Big Society, in which the government has prioritized the development of co-operatives, supporting funds, charity funds, and social enterprises.

The United States

In the same vein, the United States has witnessed an enormous growth of social enterprises in all industries. It is a missing not to mention the education sector with astonishingly plenty topics of social enterprises. Top business schools such as Harvard and Stanford called social enterprise as “one of the hottest movements” among the youth in the USA. Between 1986 and 1996, student could only find related articles to social entrepreneur with the number around 94. However, a basic search for that term from 1997 to 2006 returned more than 1400 hits. (Cummings 2012.)

In 2008, the US government launched a specific model for social enterprise, named Low-profit Limited Liability Company (L3C). Furthermore, the government also supplemented some regulations to support social enterprise, which were:

- New market tax credit: tax support for community’s activities investment
- To amend tax regulation: NPOs (do not need to pay tax) are able to collaborate with for-profit joint venture.

(AustrianInstitute 2007.)

The Community Development Finance Institutions (CDFIs) in the United States have always been helping social enterprises financially. The CDFIs uses 14% of its concentration for lending. In 2005, total lending to social enterprises accounted to over 50%, amounted to over 27 billion pounds. The government announced in its budget report on 2007 that it totally supported the CDFIs actions and would liaise with the banking sector (including the European Investment Bank and CDFIs) in exploring how the framework should be to support the sector.

Europe

In Europe, the globalization has connected countries to countries tightly. All governments recognized the potentials of businesses that combine profit generation with social and environmental goals. They all have programs to promote a better profile of social enterprises and to call for the joint hand in spreading this trend. Italy was the first country in Western Europe to design the legal form known as “type B” social cooperatives for social enterprise and to pass the legislation in 1991 (Borzaga & Defourny 2001; Nyssens 2009).

In 2001, Belgian federal authority estimated total employment in this sector of 42000 full time equivalent employees. A total of 694 companies was identified. The estimated yearly turnover of these companies lies at 1 billion euros. In France, it is estimated that there exist 168300 social enterprises. These enterprises account for 10% of GIP and 9% of employment (self-employment excluded). (AustrianInstitute 2007.)

Asia

The notion of social enterprises in Asian countries seems to be very successful. South Korea and Japan are the leaders in the pace of growth. Then come also Thailand, China affected by the ideas of social enterprise from USA and Europe.

Since 2000, South Korea was very active in acquiring knowledge and experience by sending visiting groups to Western European. South Korea used experiences of social enterprises and different legal forms launched in the USA and Europe as the references to shape the legislation of the model of social enterprise itself (Bidet 2008). The law for social enterprises was passed in 2006. Social enterprise Promotion Act was issued in 2007. Social enterprises operated in various field helping the government to deal with issues of unemployment and work integration.

In Thailand, there are approximately 116 000 organizations who are considered as social enterprises. However, according to Thai Social Enterprises Office (TSEO 2013), there are only 500 organizations and business have been identified and fully operated by the standards of social enterprise in this country. From 2009 up

to now, the Thai government has invested effort in important issuing legal documents and framework to support this model.

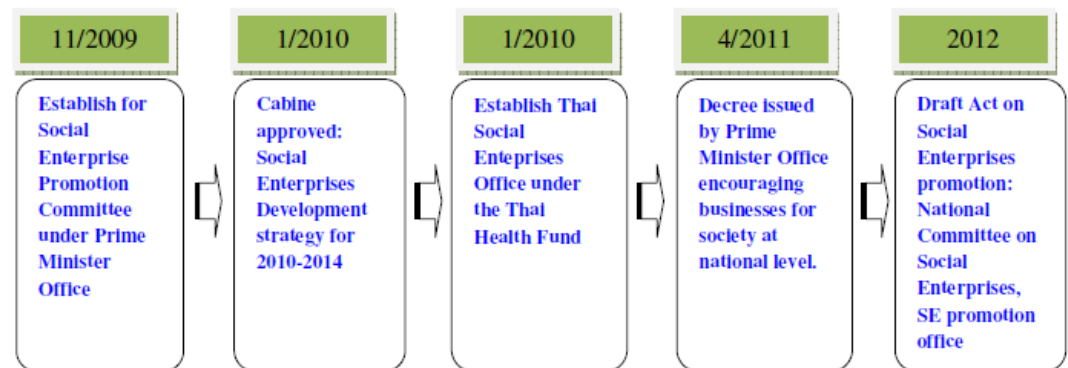


FIGURE 7: Some milestone in policies of Thai government for social enterprise (TSEO 2013)

By creating communities that are rich in social capital while enjoying a high level of mutual confidence, a low society cost and a great degree of happiness (New Public Common Routable 2011), social enterprises received support from governments and public communities everywhere to thrive.

2.2 Review on the definitions of social enterprise worldwide

Social enterprise is the concept gaining more interest worldwide. However, as the concept gains support, its definition continues to expand. There is no shared frame of social enterprise universally (Kerlin 2012). However, through synthesizing all forms of definition, the author distilled its concrete and most vital characteristics in this section. Finally, the section presents the benefits of social enterprise which has been brought to the society thanks to its innovative characteristics.

2.2.1 Non-Universal definition

The birth of many social enterprises was recorded as spontaneous. The owner of the company first had the idea of “doing business by doing something good” and did not even know that his organization has been operating as a social enterprise. The author is going to discuss the different views on the social enterprise

definition, both governments' definitions passed and unofficial definitions using by organizations and scholars around the world.

Before listing them, we should clear the confusion between Social Enterprise and Social Entrepreneurship.

Social entrepreneurship plays the role of a change agent in the social factor, defined by Dees (2003) with those below features:

- Deliver a mission of a sustainable social value (not just private value),
- Pursuing and catching multiple opportunities to serve the mission,
- Having the ability to continually learn, innovate and adapt,
- Not being restricted by the limited resources at hand,
- Being consistent with the mission stated and methods delivering that mission. (Dee 2003)

On the other hand, social enterprise features mainly focus on a more narrow operational definition which includes market-driven, client-driven, self-sufficient, commercial or business-like.

They might have ways to mix and match between those two definitions that could complicate the ideas. However, in a nutshell, a social entrepreneurship is a principle that social enterprise applies to recognizing and pursuing solutions to solve social problems and to create social values (Bornstein 2007; Chell 2007; Corner Ph.D. & Ho M. 2010).

Social enterprises could be explained in a very broad and generic way. They could also be narrowly described with specific criteria. This caused a lot of confusions since the general public cannot make clear what is and what is not. The followings are the definitions that have been collected by the author via internet sources and academic articles.

The Organization for Economic Cooperation and Development (OECD) definition of social enterprise is:

- "Social enterprises are organizations which are operating under several different legal forms applying entrepreneurship spirit to pursue both social

and economic goals at the same time. Social enterprises often provide social services and employment for disadvantaged group in both urban and rural areas. In addition, social enterprises also provide community services in education, culture and environment sectors.” (OECD)

From the website Center for social enterprise, it suggested a possible definition introduced by Fiona Salkie; Senior Policy Analyst, WD Headquarters, Edmonton, that is:

- A social economy enterprise operates like a business, produces goods and services for the market, but manages its operations and redirects its surpluses in pursuit of social and environmental goals. (Salkie)

There are hundreds of other definitions can be found on the internet sources or from famous scholars. The countries which do not have their own legalized framework might find themselves a headache selecting one among a pool of definition. In the meantime, there are countries that have already designed a set of law to pass on the social enterprise model such as the United Kingdom, South Korea, Italy, and Finland, etc. (Doeringer 2010). The following are some definitions that have been legalized.

The United Kingdom Department of Trade and Industry’s definition:

- A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners. (IFF 2005)

The Scottish social enterprise coalition definition has a slightly difference and is:

- Social enterprises are dynamic businesses with a social purpose. They have social aims, trade in competitive markets and reinvest their profits for social community belief. (Kay 2011)

In Finland, a law was passed in 2004 that defined (VATES 2013):

- At least 30 % of the personnel must be either persons with disabilities or a mix of long-term unemployed persons.
- The employees have an employment contract with the social enterprise, and the social enterprise pays its employees at least the salary fixed in the collective agreement.
- At least 50 per cent of the revenue comes from business.
- The company forms and lines of action of a social enterprise can be freely chosen.
- The working hours are at least 50% (disabled) or 85% (unemployed) from full-time.
- Social enterprises operate in the open market.

In South Korea, the Social Enterprise Promotion Act was approved in December 2006 and was put into effect in July 2007. In the article, social enterprises are defined as "an organization which is engaged in business activities of producing and selling goods and services while pursuing a social purpose of enhancing the quality of local residents' life by means of providing social services and creating jobs for the disadvantaged, as an enterprise certified according to the requirements prescribed in Article 7". (Jacques Defourny & Shin-Yang Kim 2011)

This section aims to explore on how other nations define social enterprise. These references will be used later in recommending strategy at chapter 5.

2.2.2 Social enterprise characteristics

As mentioned above, social enterprise could have hundreds of definition version worldwide which can cause confusion for the general public. However, they are distilled and marked out four main characteristics (VCASD 2007) which are:

- Enterprise orientation with a clearly defined market base
- Social aims and value
- Social ownership
- Profits are reinvested in the community/business.

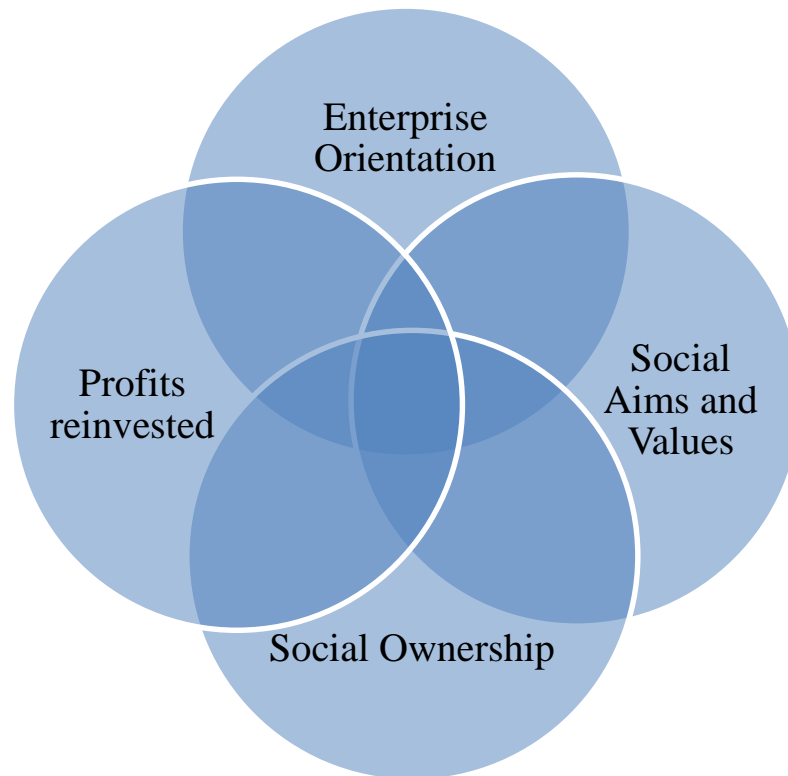


FIGURE 8: Concrete characteristics of social enterprise (VCASD 2007)

Enterprise orientation with a clearly defined market base

They pursue revenue generation through commercial activities. Unlike traditional nonprofit organization, this characteristic allows social enterprise to enhance its autonomy, sustainability and flexibility of the organization to cope with the needs of operating business, to release it from the restriction of grants and donations to freely innovate in the business (Patricia Márquez et al. 2010). It is not a charity, but a business in every sense. Besides, the benefits receive from the innovative characteristic, social enterprise has to deal with high economic risk. Unlike public institutions, finance capital of it depends on the effort of members and workers to secure adequate resources.

Social aims and value

Social enterprises must put social objectives as their core mission. The pursuit of revenue generation is the instrument to attain the social goals. This led to differences in business strategies.

Traditional enterprise = identify market -> design products -> gain profit

Social enterprise = identify social issues -> design business plan -> solve social issues

Social ownership

Social enterprises are voluntarily created by a group of citizens who share certain needs and aims. Therefore, the decision-making machine does not rely on the percentage of capital control. It is voted by members, workers, consumers and stakeholders. The principal is “one member, one vote” (James Austin et al. 2006).

Profits are reinvested in the community/business.

Social enterprise needs to achieve profit to recover all costs and to be self-sustainable. The basic principle is not maximizing profits and normally enterprises choose not to distribute profits to individuals (there are no dividends), nonetheless, the owners are entitled to retreat their money back if they want (Chris Mason et al. 2007). If there are no dividends, surpluses created by the social enterprises are reinvested in the business and then, passes on to the target customers in such forms as lower prices, better services or greater accessibility. In some countries, there are co-operatives distributing profits to a limited extent. This avoids the behavior of profit maximizing, simultaneously, encourages revenue generated activities.

All in all, from the summarization of characteristics, the obvious trait in the picture of social enterprise definition is that social enterprise is the combination of social entity and business entity. For sure that due to the combination, the missing angle from one entity will be compensated by the feature of another (Fiona Wilson 2013). It gives more advances and superior outcome as the whole entity operates.

2.3 The benefits of social enterprise

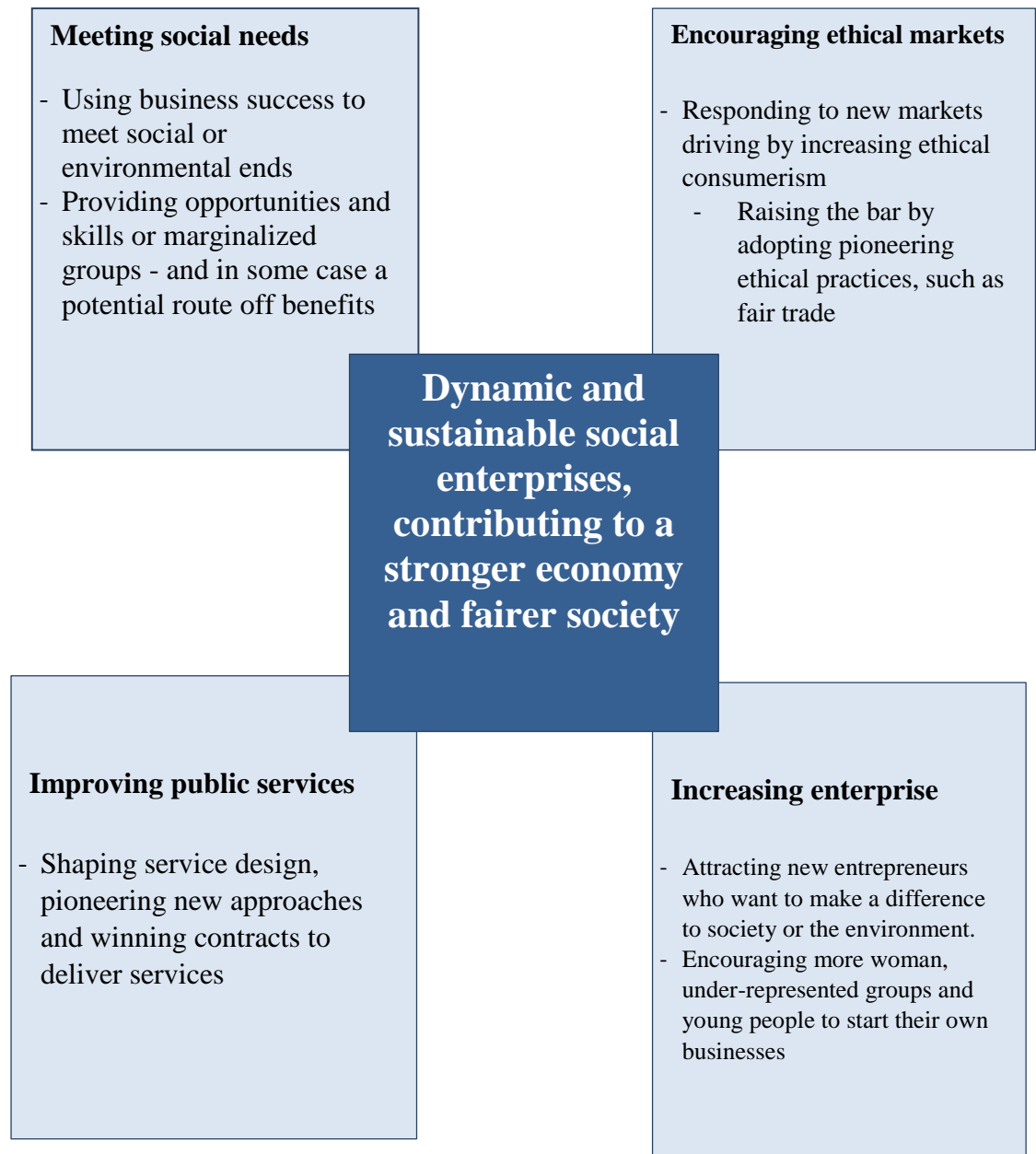


FIGURE 9: Social enterprise's impact on society (Carbinetoffice 2006)

Social enterprises help meet social and environmental needs

The distinct characteristic of social enterprise is that it uses the earned income to fulfill the social missions. We are talking about solutions to pollution, climate warming, human trafficking, illiteracy, poverty and so on (Mawdudur Rahman & Mostaq Hussain 2012).

One of the typical missions of social enterprise is to satisfy the need from the bottom of the pyramid. This group includes the disadvantages, the poor, people living in the mountains or deprived areas, disabled people, homeless children, or even people with HIV/AIDS (Carlo Borzaga, Giulia Galera and Rocío Nogales, 2008). Social enterprise has the ability to stay sustainable while providing low products' price, therefore, is able to tap on their needs.

Social enterprises encourage ethic market

The emerging of social enterprise also triggered another trend in the material world – the ethics trend. People care more about others and their next-generation (Mike Bull et al. 2010). They prefer to buy products from the companies that take responsibility for their operations.

Hence, learning from the prosperity of social enterprise, traditional enterprises knew that the era of ethical consumerism has come (Boehm 2009). They started to pay more attention to their CSR activities. Fairtrade is also an increasing popular badge for companies.

Social enterprise improve public services

The historical background of social activities above has indicated that the public sector is a huge customer to those organizations. Many government welfare programs are outsourced by social enterprise with successful results (Mark Richard et al. 2013).

Since they deliver products at a lower price compared to other companies. They still manage the same cost. This has pushed social enterprises to innovate, to be more sustainable creative in the operation. Social enterprises usually are the pioneers in finding new approaches, designing new services and models (Carbinetoffice 2006).

Social enterprises increase overall level of enterprise

Every economy in the world is composed of big, medium and small enterprises. Enterprises give employments, circle of resources and capitals. Enterprises make products, services for in-need customers (Cahalane 2013). So the more

sustainable, highly productive and innovative the enterprises are, the more of that also the economies are.

Social enterprise is an innovative and sustainable model. Moreover, they open a new niche for young people inspired by changing or improving the society (Sian 2013). This new saving-society model acts as a forum for young people to share experiences, a tool to fulfill the aspiration. (Carbinetoffice 2006)

The purpose of chapter 2 is to give a clear picture of the concept of social enterprise. As it has been discussed, the urge to resolve economic and social issues simultaneously evoked the innovation for a new business model. This business model needed to have superior features that would benefit the society and an ability to produce economic valued as by-product, not the opposite.

The governments worldwide realized, in order to build a sustainable economy, they would need to develop this model into a prospect sector. That was why so many governments have passed on a specific legal framework or Promotion Act on it. They also built promotion centers, start-up assistant funds and programs. The model of new century being presented is social enterprise model.

3 SOCIAL ENTERPRISE ANALYTICAL MODEL

In this chapter, the author introduces the social enterprise analytical model of Réseau d'Investissement Social du Québec (RISQ) studied in 2009 (RISQ 2009). This model is to analyze on the success components in social enterprise. As mentioned in the previous chapter, the characteristics of social enterprise basically are the combined those from both social organization and business. Thus, any factor contributing to the development of each type would benefit the same to social enterprise.

3.1 General introduction of the study

Despite the fact that social enterprise has got attention from many governments and scholars around the world, the analysis of its model is under-researched and unclear (Bull 2006). Since social enterprise is organized with social ownership and nonprofit distributing principles, its measurement or performance analysis corresponds with the one from the nonprofit sector. However, the practice of it is likewise business's, and then the measurement system would correlate to for-profit sector.

In the nonprofit sector, the performance assessment could be broken down into many ways. It is possible to be formed from various management functions such as monitoring and reporting, strategic planning, budgeting and financial management, program management, external management and communication with the public (Poister 2003, p10). The other performance measurement tool is strategic impact framework composing of Organizational Capacity, Financial Sustainability, Community Engagement and Program Performance (Saul 2003).

In for-profit sector, there are plenty of tools for performance measurement. For instance, EMP (Enterprise Measurement Performance) includes Business Planning and Forecasting, Financial Management and Supply Chain Effectiveness (Ron 2003). CMP (Corporate Measurement Performance) is defined in slightly different structure with Align, Evaluate and Sustain (Pittman 2008).

There are few research having been carried out for the performance analysis of social enterprise. However, in most theory, the writers technically apply two types

of tool in order to have a comprehensive analysis: the nonprofit measurement tool and the business measurement tool. This analysis approach can be overlapping and redundant. Interestingly, Kaplan and Norton once suggested using BSC (Balance Scorecard) approach as an integrated performance measurement for social enterprise. BSC is perhaps transferable between social organization and business aspects but not very precise and transparent in finalizing the analysis result (Bull 2006).

That is why the author suggests using the analytical model introduced by Réseau d'Investissement Social du Québec in 2009. In this model, it evaluates success components derived from both social organization and business model. It can give a fully detailed on what factors contribute to the operation of a social enterprise. It also explained the relationship among components which is very helpful in formulating the developing strategy (RISQ 2009).

3.2 Success components of social organization

The author analyzes the success from the social organization aspect of social enterprise.



FIGURE 10: Social organization's success factors (RISQ 2009)

3.2.1 Mission

In a social organization, a mission statement is often formulated as the acknowledgement of a problem or an inspiration and a proposed solution. Meanwhile in a social enterprise, the mission needs an engagement with a commercial objective. These two elements are treated equally since social purpose is the driving key of the operation and commercial desire is the means of nourishment.

The mission has a vital key in the strategy of social enterprise. A good mission statement has great contribution to the potential financing from the government, bankers or social investors (RISQ 2009). Any social enterprise tries to build a formula of mission that is coherent with the realism of objectives and the means proposed to achieve them (Dart 2004).

By answering to the below checklist, a social enterprise can define if its mission is strong and relevant enough:

TABLE 1: Mission assessment criteria (Gregory Dees et al. 2001)

Mission	Yes/Strong	Somehow/Adequate	No/Weak
Short and sharply focused?			
Inspiring your community?			
A statement of why you do what you do or why the organization exists?			
Focus on your opportunities?			
Match to your competence?			
Meaningless without action?			
Consistent throughout your operations?			

Once you realize your mission need to have an upgrade, you need to research more on how to define your mission right and effective this time. There are three keys in upgrading a mission of social enterprise. According to Gregory (2011), they are:

- Environmental scanning: You need to know what the opportunity market and potential customers are about to be the elements in your mission.
- Act consistent: What you said must go along with what you do, only by then, your mission is valuable.
- Communicate and share: The mission needs to integrate into the organization. Employees must understand and commit to it. (Gregory Dees et al. 2001)

3.2.2 Grounded in the community

“Grounded in the community” component basically means the ability to connect, be recognized and supported by the community. Social enterprise always has an undeniable link with the community in which it operates, since it is established for the sake of responding to the insufficiently met need. Thus, the interest from the community will open possibilities for financial or strategic support such as voluntary forces and partner collaborations (Dart 2004).

To measure what level the social enterprise is grounded into the community, it is suggested to use four indicators below:

TABLE 2: Grounded in the community assessment criteria

Grounded in the community	Strong	Adequate	Weak
Moral or financial support from community			
The commitment of community towards the management of social enterprise and its risk			
The possible chance for a collaboration between social enterprises with other partners in the economy			
The recognition of the social enterprise by its private or public financial bankers			

3.2.3 Organizational vitality

Organizational vitality is one of many driving forces for a long term success in both social organization and social enterprise. This component is affected by two factors which are legal status and organization culture. As a social enterprise chooses its legal form, it will decide on how mission and operations angle interact with each other. Furthermore, the organization culture has positive relationships to overall performance. The good working culture can avoid conflicts and promote collaboration, adaptability and growth. Employees in a social enterprise can enjoy a harmony working environment so as to be more productive. (Harvey 2012.)

The organizational vitality can be assessed through three symptoms (Harvey 2012), which are:

- Vital engagement: Vitality is strong when every member shares the same commitment to the organization's success. Their actions are consistent with the company's mission and vision.
- Vital competence: All members of the organization understand their roles and responsibilities. They take any opportunities to develop themselves, with both requisite knowledge and emotional intelligence.
- Vital communication: Employees are active in participating in the cooperation among every department in organization. They feel engaged with other employees and give highest effort in contributing to an overall performance of the operation.

TABLE 3: Organizational Vitality assessment criteria (Harvey 2012)

Organizational Vitality	Strong	Adequate	Weak
Vital engagement			
Vital competence			
Vital communication			

In order to improve organizational vitality, one can use different strategies, including:

- Enhance a better working environment;
- Develop a organization system that empowers, communicates with and regconizes employees' work;
- Pay attention to skill straining programs for employees so that they feel the support and become more confident in their duties. (CDFW 2013.)

3.2.4 Democratic management process

Democratic management is the most and considered only suitable leadership style for social enterprise, since in its characteristics asking for "one member, one vote", every decision must have the participation of all members. Democratic

management style encourages employees to speak their aspiration or problems. This contributes to a better vitality culture since it raises higher morality and productivities (Democratic management 2013). The democratic management is needed in order to control the effect of decisions. The stakeholders and boards of management will ensure the focus in financial aspect. On the contrary, beneficiaries and employees will shift the target to the social aspect (Mirjam Schöning et al. 2012). A good practice of democratic management would enhance the mission statement and a healthy decision making system.

However, this type of management has some disadvantage that social enterprise must build a right policy to improve it. First of all, in order to collect the voice for all members, it takes a longer time. Sometimes, when the majority of members is not knowledgeable about the discussion, it can lead to an incorrect decision that will eventually affect all operations. Last, democracy does not refer to a fully satisfied acceptance. It can increase the intensity in some discussions if they cannot find the neutral solutions for both opposite idea's parties. (Democratic management 2013.)

One can assess the effectiveness of democratic management style inside social enterprise through:

TABLE 4: Democratic Management assessment criteria (Democratic management 2013)

Democratic management	Strong	Adequate	Weak
Time amount of decision making process			
Level of satisfactions on each final decision			
The effect of decision on the operations			

In order to improve the efficiency of democratic management, social enterprise must improve on three angles: communication, organized structure and deadlines. By improving the network of communication, top managers can assure that their

employees will get necessary knowledge on the discussion. The leader needs to have a comprehensive understanding of the group hierarchy so that he can utilize group's resources. Managers can also increase the efficient voting through giving strict deadlines. (Anderson A. 2013.)

3.3 Success components in a business

The author analyzes the success from business aspect in social enterprise.

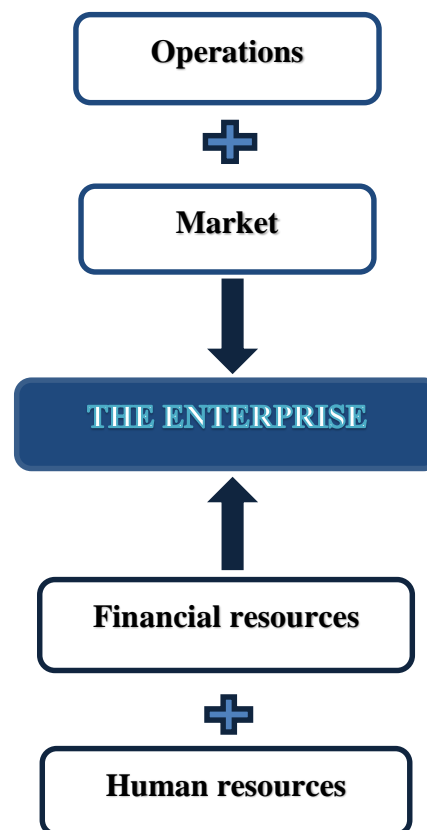


FIGURE 11: Business's success factors (RISQ 2009)

3.3.1 Market/Product and activities

As the mission is well stated, social enterprise organizes commercial activities to fulfill the social objectives. Thence, they operate in two complementary markets: the industry selling products or services and the market related to a social mission. The greater harmony social enterprise achieves in these markets, the greater chance of success it possesses (Bull, 2006). To achieve harmony, it needs to build a strategy on sales objectives and what means to reach them. Therefore, this section will give a strategic explanatory on four aspects:

Definition of products or services

Since social enterprise does not have the same resources as mainstream business, it often innovates something more ethical and sustainable to fill the gap in a market or sometimes, the innovative result turns out to be products that are overhead of the curve (Cahalane 2013).

Social enterprise's products or services also are categorized into two. The first category is the product or service offered as the basis of the economic activity. The second category is offered in the attainment of its mission. Sometimes, these products can be complementary if the company has an integrated social and commercial mission (Jonathan Moizer & Paul Tracey 2010). For example, KOTO business operates a restaurant at the same time by providing restaurant apprenticeship for children in difficult circumstances. Sometimes, these products can be compatible if the company has a separated social and commercial mission (Jonathan Moizer & Paul Tracey 2010). For instance, The Will To Live Center has surplus streams from website service and promises to extract 70% of that surplus to do social works such as teaching disable children knowledge of technologies.

It is always important for social enterprises to continue innovating their offers, since the nature of social enterprises acquires them to double time functioning compared to normal companies. If they fail to design the unique character of the offers, they sooner or later impair the ability to deliver economic added value and as the consequence, weaken the ability to deliver social added value (Richard 2013).

Target market

One surprising matter of social enterprise is that its product creation never starts at the market, but always the case of an innovative idea to be taken to suitable market (Hartley 2011). Sometimes, it is possible for a social enterprise to overlapping operate in two market types. It depends on the type of products that it offers. The sale market can be supplemented to the social market if the products are complementary. For instance, Mai Vietnamese Handicraft Ltd sells crafting products which are made by disable women. The commercial activities provide

salaries for those women in return. Sometimes, social enterprises operate in two distinct markets if their products are compatible.

Social enterprise needs to have research on its target market like traditional business. It should identify what the customer's characteristics are, who is the most importance customer and what is going to be the trend in the market (Alter 2000, p63-67.)

Competition

Social enterprises face the same competition like other traditional enterprises. Sometimes, it is even more intense since they have to compete in both markets. On one hand, they have products or services comparable and substitutable in the industry. On the other hand, they need to distinguish them from normal charity or philanthropy organizations (Bevmeldrum 2011).

When a customer values a social enterprise, it is a matter that only when they will realize this product, in addition to commercial value, could provide a social value by furthering the social impact more than normal nonprofit. Then social enterprise can acknowledge about their competitive advantage.

Marketing strategy

The marketing strategy must be consistent with the analysis of the market, the competition and the mission (Gordon Liu, et al. 2013). It is very important for social enterprise to design an effective marketing strategy. It needs to do well before it can do something good. The effective strategy in marketing can be examined through the choice of selling methods, distribution channel, sales promotion tools and brand equity.

Since the general characteristics of a customer are community driven and ethical minded, its marketing strategy should be a social value based. As in any business, marketing and communications must be a core function if the organization wants to become financially sustainable. However, marketing in a social enterprise is a balancing act. One has to measure customers' need comparing to the product proposed value. (Glen Loughheed & Marty Donkervoort 2013.)

It is also crucial for social enterprise to use its mission statement to establish a complementary marketing approach. By having said that,, it confirms the fact that partly customers choosing products of social enterprise because of its social objectives. The more customers agree with the mission, the more loyalty they are to the products. The more recognition and support from the community of the mission, the more strongly the conditions for economic effectiveness are reinforced (Gordon Liu et al. 2013). Additionally, a strategic mission can benefit social enterprises from purchasing references.

In order to assess the quality of market and products component, it is needed to assess each of these criteria:

TABLE 5: Market/Products assessment criteria

Market/Products	Strong	Adequate	Weak
Product innovativeness			
Target market achievement			
Ability to set the changes to the market			
Ability to adapt to the changes of the market			
The response to the competition			
Two types of product work smooth together			
Brand equity			
Easy to market products to community			

3.3.2 Operations

In the operating system, the social enterprise gets mostly influenced from two essential aspects deciding on the ability to deliver the mission and to build up long term viability (RISQ 2009). They are cost management and pricing policy.

When social enterprises provide complementary products, they mostly are seen under two connecting types of operation. Their social investment is in the input of the supply chain. Here it is again in the case of Mai Vietnamese Handicraft. The more costs are spent on material cost (purchasing cost of crafting products), the larger profits have been shared to the social objectives. Another type of operation belongs to the social enterprises have targeted the bottom line as the target market. Their social investment lies in the output of the supply chain. Normally, they provide the most affordable products in the possibly best quality.

When social enterprises provide compatible products, their systems act more like one of a traditional for-profit enterprise. They only have an additional process of delivering social promises to the right group.

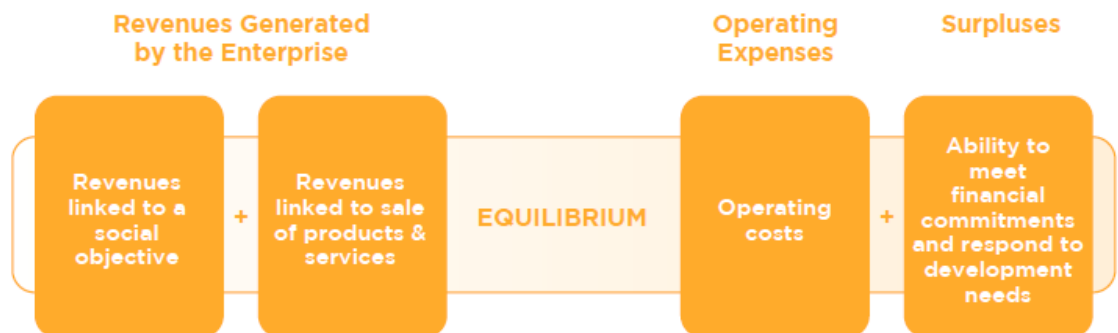


FIGURE 12: Operation equilibrium (RISQ 2009)

However, in whatever operating system, the pricing policies inside social enterprise have to be under a big pressure from competition (Thomas S. Lyons et al. 2010). A smart pricing policy is obtained when social enterprise first has an investigation of cost structure (Conway 2008). Then, it can analyze to find the middle point between an affordable price and a price that covers costs. The

revenue from selling products should be equal to the total operating cost plus surpluses. (RISQ 2009.)

Beside costs and sales, the operations of a social enterprise consist of different function like traditional for-profit and nonprofit.

The criteria to assess the quality of the operations include assessments for both cost strategy and revenue strategy.

TABLE 6: Operations assessment criteria

Operations	Strong	Adequate	Weak
Appropriateness of pricing policy			
Quality of deliver products to target customers			
Quality of sales and revenue			
Supply and sources of material and the management of purchases and stocks			
Technology unitized, infrastructure			
The cooperation of different departments inside company			
The ability to minimize unnecessary cost			

3.3.3 Human resources

The human resources of a social enterprise can be composed of two parts: Internal source and external source. The internal source is the paid labor and the external source refers to volunteer members. Social enterprise advances to other nonprofit since it actually has salaries for its employees. It is undeniable that volunteer

groups still have great impact and is a necessary capacity inside social enterprise (Conway 2008). The volunteer group can help diminish the cost, and result in a better financial profile.

In many social enterprises, the internal working labor consists of two main components, the professionals and apprentices. Management teams ask for certain qualifications. Meanwhile, the apprentice group is the low working skill members who often learn and work at the same time. They receive trainings and salaries from social enterprise. The salary can be lower compared to the standard market; however, they are receiving training as compensation.

In order to access the quality of human resources, these criteria are under the judgment:

TABLE 7: Human Resources assessment criteria

Human Resources	Strong	Adequate	Weak
Ability and requirement of management employees			
Training policy			
A policy of recruitment both paid and volunteer			
A policy of remuneration			
Ability to create a good morale in employee structure			
Manager-employee relationship			
Productivities and creativeness of human resources			

3.3.4 Financial resources

It is essential to remind readers again that social objective is the spirit of social enterprise. However, commercial activity is the lifeblood. It is always needed to do well before doing something good. Then, financial resource is the most decisive component in a social enterprise's success.

The financial resources are composed from two streams: the financing investment and the accumulated surpluses. The accumulated surpluses are the differences of total revenues and total cost (Thomas S. Lyons et al. 2010).

Accumulated capital

Like normal enterprises, social enterprises generate revenue and retain surpluses. Normally, they have their own innovative operation mechanism. They usually have more costs than normal enterprises. As mention in the previous components, new cost is either the percentage on higher material cost or additional apprentice cost in the structure. Yet, social enterprises offer a more affordable product's price.

This matter returns topic to the point when they build mission. Social enterprises need to carefully consider the level of profit reinvestment into the business and society (Richard 2013). One negative example for the important of reinvestment commitment is Thankyou bottled water Company in the UK. In the bottle, they print the mission in which states that it commits to invest "all" profit to social work which is delivering clean water to developing countries (Thankyou 2013). In the long run, they do not have ability to upgrade their business let alone reinforce the competitive advantage. They start to face more intense competitions and they merely do not have the budget for marketing or innovation research. (Richard 2013.)

Another matter that has a big influence on accumulated capital is government policy. In many developed countries, government has immense role in supporting social enterprises' revenue generating activities. Such as a legal framework in which it decides how much tax exemption could be applied into the business so that they can avoid the effect of negative social cost. A Promotion Act on social

enterprise can bring more business chances for social enterprise in certain industry such as priority in bidding for public service contracts (Jacques Defourny & Shin-Yang Kim 2011).

Financing Investment

Financing investing could be equity and loans (Western Economic Diversification Canada 2010).

- Equity investment– from stakeholders who share the same idea of delivering social objectives or assistant funds.
- Loans or debts – from people or institutions expect to get interest upon an agreed rate from the activities of social enterprise

Equity investment

Government legal framework specially designed for social enterprise opens more funding channels of equity investment (Cummings 2012). The national fund is the most desirable financing resource for any organization. A Promotion Act can give priority in approaching funds for social enterprises in certain industries such as health and education.

TABLE 8: List of various financial capital sources (Drew & Sunny 2012)

Financier interest	Interest in social impact Interest in profit					
	←—————→				—————→	
Loan/Equity	EQUITY				LOAN	
Source of funds	Shareholders	Philanthropy grant	Community financing	Social venture capital/ angel investor	Social responsible investment	Traditional loans/ overdraft

As the ethical world is rising, more and more people are fond of investing their money in social enterprise. Typically, they are originally used to donate to charities and philanthropy. However, they realize that they want something with tangible and exposable results. Social enterprise somehow with the business operation can display clearer picture of social results (Salter 2013).

Social investors are sometimes called angel investors because they give loans with lower interest compare to the market standards. They care about social impact, however, they simply just cannot accept a zero financial return on their investment (Richard 2013). Social enterprises also need to prove the ability to make surpluses in order to attract those investors. Surely, they are more valuable and sustainable sources than bankers.

In order to capture this equity investment type, social enterprise needs to show their social impact results. It is the driving key to produce the attraction (Hynes 2009).

Loans or debts

The most common external financing source for social enterprises is bank finance. As the operating nature of social enterprises, they often find their cash balance below or closed to zero point (Drew Tulchin & Sunny Yi-Han Lin 2012). To deal with this, they approach to short term funding - overdraft as solution.

Loans are the long term financial funding for social enterprise. The term of loans that the repayment includes both initial amount of loans plus interest. Bankers are well known for not being great risk takers. Social enterprise is required to present a financial plan or financial forecast. So that it can provide guarantee for the future loans. (Simpacta & Redochre 2010.)

In order to well approach to this channels, social enterprise needs to have a record for its financial activities. That record is the presentation for the benefits it gives back to the investors. It gives credit to investors whether they decide on financing or not. Furthermore, the financial records reveal the financial position; allow making long-term and short-term plans, and control the current operations in social enterprise (RISQ 2009). The set of records includes financial statement, balance sheet, cash flow and most importantly financial stability indicators.

In order to assess the financial resources components, one must take into account the below criteria:

TABLE 9: Financial Resources assessment criteria

Financial Resources	Strong	Adequate	Weak
Adequate different types of financial report (Cashflow, Profit & Lost, etc.)			
Easy and able to conduct financial ratio from reports			
Expected amount of accumulated capital			
Capable of attracting investments from different sources			
Social impact measurement			
Attitude of shareholders			

3.4 The secret to a successful performance

Generally speaking, the success of social enterprise depends on the balance of social organization aspect and business aspect. The social organization aspect represents the operating driving force. The business aspect acts as an instrument for fulfilling the mission through everyday activities. The eight components deciding the balance are illustrated in the figure 13 below. (RISQ 2009.)

In the model, we can that two aspects in social enterprise have a close relation. There are interactions among the components in one aspect. By analyzing each component and the related effect with others, it allows an understanding of the coherence, strong level of each one with the whole and the tactics for improvement. (NatWest & The Royal Bank of Scotland 2012.)

From social organization side, the Mission will influence on the three left components. The mission must work in harmony with Democratic management so

as to enhance the Organizational Vitality. If a social enterprise wants to be well “Grounded into the community”, it must have a persuasive Mission and good Organizational Vitality.

From the business side, the Market and Products decision decides on the Operations. The healthy combination between Operations and Human Resources leads to a good result of Financial Resources. Counter-clockwise, Financial Resources will fund the practice in Human resources and Operations.

From the overview, the social organization aspect dictates the mechanism of the business aspect. The business aspect dictates the quality of quality of social organization aspect. Social enterprise organizing business activities depend on the mission and social objectives. The human resources, organizational vitality and democratic management system are positively correlated. The financial resources benefit from the support and recognition of the community.



FIGURE 13: Success components in social enterprises (RISQ 2009)

In conclusion, the evaluation of a social enterprise is the integrated assessment of eight main success components. If all of these components work smoothly, they generate the balance for social enterprise to thrive. The balance comes from:

- *The balance between two dimensions established by the effective mission and effective economic activities.*
- *The coherent and the compatibility between the social goals pursued and the means implemented to attain them – particularly in terms of the practical consequences that daily operations will have on the mission.*
- *The value of price to the target beneficiaries and the cost effective control in the operation fit together. (RISQ 2009.)*

Obviously, the fail to manage one of those success components appears as the degraded issue to the desired equilibrium of the operation. Consequently, social enterprise needs to solve that issue in order to improve the developing prospect.

4 ANALYZING SOCIAL ENTERPRISES IN VIETNAM – ISSUE ACKNOWLEDGEMENT

As discussed in the previous chapter, the success components of social enterprises are:

- Mission
- Organization vitality
- Democratic management
- Grounded in the community
- Products and activity market
- Operations
- Human resources
- Financial resources

In this chapter, the author presents the results from the empirical research in Vietnamese social enterprise. The research applied the theory of success components in social enterprise to identify what the biggest issue Vietnamese social enterprises facing is.

4.1 Research sample and research progress

The author, after consulting with CSIP organization chose ten Vietnamese social enterprises to participate in the collective sample. Throughout the research process, this sample engaged in a survey. After that, there were three selected social enterprises in this sample continued in a follow-up interview. The form of follow-up interview was email questions – answers.

List of ten chosen social enterprises:

- CEP “capital aid fund for the employment of the poor”
- KOTO restaurant business
- Clan library and parent bookcase
- TO HE Stock Company
- Mai Vietnamese Handicraft - MVH
- The Will To Live Center
- Hoa Sua tourism economics high school
- Humanitarian cooperation
- Hanoi University and Management University: A cooperative intelligence

- Center for Community Health Research and Development

List of 3 social enterprises continued in a follow-up interview:

- Mai Vietnamese Handicraft - MVH
- The Will To Live Center - Nguyen Cong Hung
- TO HE Stock Company

4.1.1 The representativeness of the sample survey

First and foremost, the author chose operating market's diversity as the outstanding criteria to select the surveyed Vietnamese social enterprises. The more diverse the collective sample is, the more generalizability it possesses. Among ten surveyed social enterprises, three organizations operate in education and training area, two in art and craft industry, two in the food industry, one in the health industry, one in IT industry and one in the finance industry.

The second criterion in selecting is operation structure. The author wanted to have both two types of social enterprise: separate social and commercial mission (Type 1), integrated social and commercial mission (Type 2).

The third criterion is the structure of financial resources. In ten chosen social enterprises, there are six organizations have the financial resource constructed with accumulated surpluses more than 50%.

The last criterion is the structure of human resources. As introduced before, the human capital of social enterprise normally consists of two types of employment: the official paid employee and the volunteer. In the collective sample, there are seven social enterprises paying wages for more than 50% of total employees.

There are no two individuals in the collective sample have in common more than three characteristics.

The detail of each chosen social enterprise can be found in Appendix 1.

TABLE 10: Characteristics of the sample of Vietnamese social enterprises

Social enterprise	Sector	Business type	Percentage of accumulated surplus	Percentage of paid employees
TO HE Stock Company	Art and craft industry	Type 1	84%	50%
Mai Vietnamese Handicraft	Art and craft industry	Type 1	80%	80%
Hoa Sua tourism economics high school	Education and training area	Type 2	55%	55%
Research and training center for community development	Education and training area	Type 2	40%	65%
Clan library and parent bookcase	Education and training area	Type 2	0%	30%
The Will To Live Center	IT	Type 1	52%	65%
KOTO restaurant business	Food industry	Type 1	75%	70%
CEP	Finance sector	Type 2	85%	85%
Center for Community Health Research and Development	Health industry	Type 2	35%	45%
Humanitarian cooperation	Health industry	Type 2	50%	60%

4.1.2 Research in progress

The purpose of the survey is to assess the biggest issue in Vietnamese social enterprises. The method is to evaluate the attitude of Vietnamese social

enterprises towards the ability to manage each success component. Thus, the component that has the lowest score indicates the lowest confidence level of social enterprises to well manage it. The lack of managing that component will affect the desired balance which further results as the biggest issue in the development progress. The survey is designed in a quantitative form. However, the evaluation grid is presented in a qualitative review which means the research methods used here is qualitative method. The scale of the score is from one to three in which three for strong, two for adequate and one for weak. (The survey format is in Appendix 2)

The criteria for the assessment are the main eight success components of social enterprise according to the analytical model. In each component, there are smaller elements in order to produce a higher precise result. All the elements from ten Vietnamese enterprises were added together and divided by the number of elements. The average of each criterion from each social enterprise will be summarized to an overall score.

4.2 Biggest issue acknowledgement

The score is an indicator to detect in general what the component is currently in weak performance and struggling in finding solutions. However, it does not mean any Vietnam social enterprise would be underperforming in this criterion. The criteria with higher score also indicate the positive conditions (Strength) in social enterprises.

4.2.1 The most underperforming component

The overall scores of all eight components (Appendix 3) are presented in the below chart.

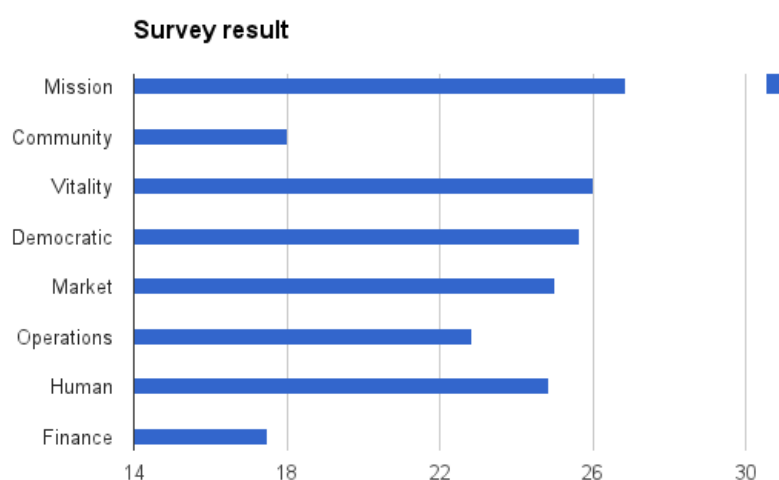


FIGURE 14: Components' overall score by the survey (Survey responses 2013)

Financial Resource component only scores 17.5 over total score of 30. It means the average score it received from the sample was 1.75. There were seven social enterprises feel that their performance at financial resources below the adequate level compared to other components. Only three remained participants answered with score over two. Each element in Financial Resources component was also received different scores (Table).

TABLE 11: Financial Resources – element average score

<i>Financial Resources</i>	<i>Average score</i>
<i>Adequate different types of financial report (Cashflow, Profit & Lost, etc.)</i>	1.9
<i>Easy and able to conduct financial ratio from reports</i>	1.6
<i>Expected amount of accumulated capital</i>	1.5
<i>Capable of attracting investments from different sources</i>	2
<i>Social impact measurement</i>	1.3
<i>Attitude of shareholders</i>	2.2

Obviously, social enterprises are having problem with the measurement of social impact which also gets influence from Grounded in the Community component. Meantime, this component ranked as the second lowest overall score of 18. In the above table, lower than “social impact measurement” element is the “accumulated capital” which gets influences from Operations component. As illustrating in the chart, the Operations components also ranked the third lowest with the overall score of 22.85. (Survey responses 2013.)

The author continued a follow-up interview with 3 social enterprises which gave score under two for the financial resources component. The representatives from those organizations shared a more detail reason for their choices.

In the case of Mai Vietnamese Handicraft, they are having accumulated surpluses issue in the financial profile. So as to comply with Fair Trade criteria, Mai Vietnamese Handicraft obeys to strict regulations of minimum wage, insurance, save working conditions, environmentally friendly materials... Simultaneously, company needs to pay for the cost of training of employees who are women in difficult circumstances, cost of booth camp to raise customer awareness about its good-cause products. All costs together add up to a higher product price. As the result, social enterprises find themselves at cost disadvantage.

The same case happened to TO HE Stock Company. TO HE is a manufacturing and trading company. It produces household products by using creative drawing of disabled and disadvantaged children. Most of its profit is used to pay for the drawing’s copyright from children. They also use profit in organizing classes and clubs for promoting the creativities of children from remote areas and children living in protection center. However, those costs are not considered as legible expense to deduct from taxable revenue. The company find themselves at cost disadvantage. They are losing the competitive advantages to other competitors in the market. In the long run, they fear that they do not have enough capital to upgrade the products let alone the business system.

The two social enterprises above are having troubles with accumulated profit. The Will To Live Center on the other hand finds the issue about financing investment.

This organization shared its story of establishment almost 19 years ago. At the point it just was born, it had to overcome a lot of obstacle to meet the standard requirements from local authorities. In two years, the founder gave free training to more than 130 disabled students; however, the students could not receive official certifications. The limited capital prevented the center to expand, acquire sufficient equipment, facilities following the authority's standards. At that moment, Center looked for all possible chances of loans and personal investments. However, it took very long and effort to finally sum up the enough capital. Until now, they share that they meet the same problem in calling for investment to expand and develop the social enterprise.

4.2.2 Strength evaluation

There are 4 components with total score over 25, which means average choice for those criteria is getting to strong level. They are Mission, Democratic management, Organizational Vitality and Market/Products. Among those four components, Mission component has highest score with average point of 2.68. They all report to have a solid and consistent mission. (Survey responses 2013)

TABLE 12: Mission – elements average score

<i>Mission elements</i>	<i>Average score</i>
<i>Short and sharply focused?</i>	2.7
<i>Inspiring your community?</i>	2.9
<i>A statement of why you do what you do or why the organization exists?</i>	2.6
<i>Focus on your opportunities?</i>	2.4
<i>Match to your competence?</i>	2.6
<i>Meaningless without action?</i>	2.7
<i>Consistent throughout your operations?</i>	2.9

It is easy to understand why Organizational Vitality and Democratic Management components are considered to have over adequate performance. A good Mission combined with a good Democratic Management will lead to the high morale in organization. When a good ethical and moral environment established, the employees feel an enjoyable working environment. It created the collaboration and growth.

TABLE 13: Organization Vitality – elements average score (Survey responses 2013)

<i>Organizational Vitality</i>	<i>Average score</i>
<i>Vital engagement</i>	2.4
<i>Vital competence</i>	2.8
<i>Vital communication</i>	2.6

TABLE 14: Democratic Management System – elements average score (Survey responses 2013)

<i>Democratic Management System</i>	<i>Average score</i>
<i>Time amount of decision making process</i>	2.4
<i>Level of satisfaction on each final decision</i>	2.6
<i>The effect of the decision on the operations</i>	2.7

As a casual relation among components, the well management of these above components encourages the performance in Human Resources.

TABLE 15: Human Resources – elements average score (Survey responses 2013)

<i>Human Resources</i>	<i>Average score</i>
<i>Ability and quality of management employees</i>	2.5
<i>Training policy</i>	2.4
<i>A policy of recruitment of both paid and volunteer</i>	2.6
<i>A policy of remuneration</i>	2.6
<i>Ability to create a good morale in employee structure</i>	2.7
<i>Managers – employees relationship</i>	2.5
<i>Productivity and creativeness of human resources</i>	2.1

From the evaluation of the result chart, more Strengths that Vietnamese social enterprises possess are discovered. The table below is the list of Strength (according to the author analysis).

TABLE 16: Vietnamese social enterprises' Strength

Positive conditions/Strengths
<ul style="list-style-type: none"> - Creative approach to solve social issues - A positive combination of commercial activities with social actions - Operating in niche market – low level of competition - Employees are enthusiastic and ethical oriented - Having effective partnership relations with other organizations as well as social enterprise promotion centers - Effective organizational structure and management mechanism - Management emphasizes on balance business structure - Good enterprise culture - Diverse goods/services and broad working area - Labor capability to handle business activities, ability to use disadvantaged labor force

In conclusion, by analyzing the social enterprise model in ten chosen representative Vietnamese social enterprises, the survey has revealed the biggest issue which is the inability to proficient at Finance Resources component. Furthermore, the survey unveiled the components in which social enterprises are mostly being proficient at. The ability to manage those components turns into the strength for Vietnamese social enterprises to take advantage.

Nevertheless, the equilibrium in both aspect of social enterprise model: social organization aspect and business aspect, decides the stable development in the long run. Certainly, in order to promote the growth, social enterprises need to resolve the imbalance issue which in the case of Vietnamese market, resolve the issue in Financial Resources.

5 RECOMMENDATIONS FOR CSIP ORGANIZATION

As the issue has been unveiled in the last chapter, in this chapter, the author is going to discuss about the recommendations to CSIP. The meaning of the recommendations is that CSIP will be able to provide a better solution to the financial resources issue in Vietnamese social enterprises.

Before being able to construct the recommendations it is rational to first figure out what would be the optimal solutions for this issue in Vietnamese market. From here, it is possible to compare between what have been done and what should have been done. The author then proposes the recommendations to CSIP which literally is filling in the missing part of the current solutions.

5.1 Suggested optimal solutions for the biggest issue

In the first small section, it includes an external analysis on Vietnamese market. After externally analyzing, the Opportunity and Threat factors are detected. Consequently, combining with the internal analysis in Chapter 4, the author applies the TWOS Matrix to identify the optimal solutions.

5.1.1 External analysis - STEEPL

The purpose of using STEEPL analysis is to evaluate what external factors bring opportunities and what can threaten the prosperity of social enterprises in Vietnam. STEEPL is the abbreviation for Social, Technological, Economic, Environmental, Political, Legal and Ethical factors.

Social

Vietnamese population in 2012 is estimated around 91,519,289. The age distribution is:

- 0-14 years: 24.9%
- 15-24 years: 19%
- 25-54 years: 44.1%
- 55-64 years: 6.6%

- 65 years and over: 5.5% (2012) (Factbook 2013.)

A population survey in 2009 showed the fastest growing rate among all population groups was the elderly people. From 9.4% in 2010, the growth rate in the group of above 60 year-old people is expected to climb to 12.2% in 2012. The portion of elderly people having no wife or husband accounts to 61% (2010). (Hai H. , 2012)

According to World Bank, the Gini Coefficient Index (GINI) in Vietnam in 2008 was 35.57. GINI index indicates how equally the income distribution within an economy. Number 100 is the expression for a perfect inequality and number 0 represents perfect equality (World Bank 2013.).

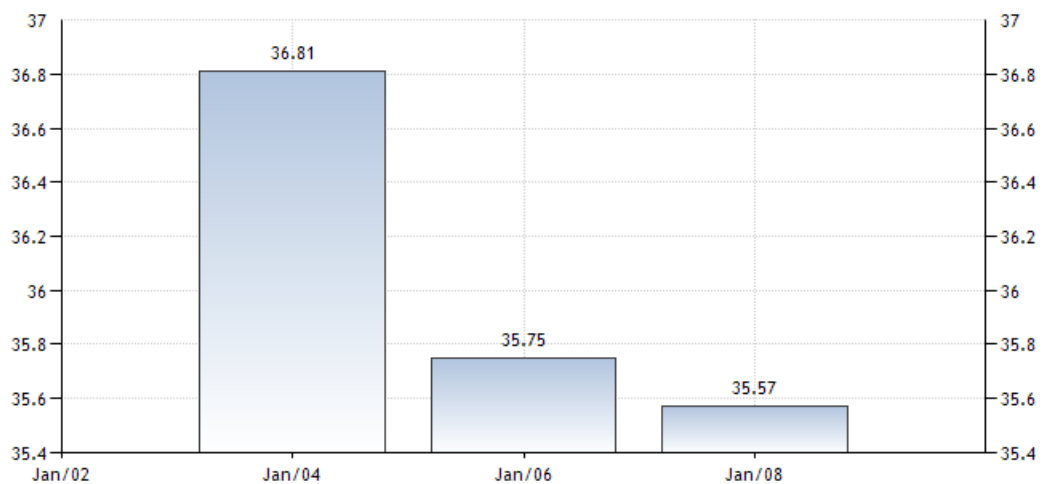


FIGURE 15: Vietnamese GINI index 2010 (World Bank 2013)

According to this number, the gap between the poor and the rich in Vietnam is not very big. However, with a large population, the number of the poor appears to be very huge. Estimated in Vietnam, there are about 10 million people living in poverty, 5 million people are at risk of it. The poverty rate in 2008 was 21% with the poor baseline of 1.25 \$ (400000 VND and 500000 VND/person/month for rural and urban areas). (Ministry of Labor, Invalids & Social Affairs 2001.)

According to Vietnamese General Statistic Office (GSO), Currently, Vietnam has about 6.7 million people with disabilities, accounting for nearly 7.8% of the national population. Of these, 69% of them at working age, but almost 60% of

them live dependently on support from the family. Sadly, 33% of those total households live below the poor baseline. (GSO 2010.)

Across the country, the number of children with disabilities is 15000. Children live in poor is 2.75 million. Every year, more and more children are given to the pagoda for the orphanage. In 2012, the number of orphans was 153000. 278000 children affected by HIV/AIDS and even though the government has tight the policy on working age, 26000 children currently are in hard labor or being exploited. Adding all the cases together, we got approximately 4.28 million children with special circumstances, accounting for 18.2% of all children. Meanwhile, the number of children received an allowance from the government is 66000. (CSIP, British Council & CIEM 2012.)

International organizations estimated that in Vietnam there are about 280000 people with HIV/AIDS and each year there are 40000 more people get newly infected.

General statistics office of Vietnam reported the unemployment rate in 2012 was 1.81%. This is the lowest recorded number since 1998. The average percentage between 1998 and 2012 was 2.52. The unemployment rate peaked in December 1998 with 4.5%. (GSO 2010.)

Technological

Jun 15th has been chosen to be Vietnam Innovation Day since 2011 (World Bank 2012). Vietnamese government identifies and directly supports small and innovative development proposals that focus on energy efficiency, traditional herbal medicine, agricultural based products and services. The State organized a big innovative campaign in 2011 with name “Innovation for Social Equity and Sustainable Growth”. Its objective is to bring products and services to the poor and under-served communities.

- Energy efficiency: Vietnam has to face the increasing demand of electricity production. The average growth in this category is 12%. The government encouraged citizens to save their consumption from 5% to 8%

by 2015 with the National Target Program. Investments have been poured into the fields of reduce wastage of energy and renewable sources.

- Traditional Herbal Medicine: Government prioritized the development of using of traditional herbal plants. Policies have been implemented to boost the scientific and clinical herbal research. Decision No. 2166/QĐ-TTĐ, dated November 30, 2010, focused on the modernization and development of traditional medicine and pharmacy.
- Agriculture based products and services: Agriculture has always had a crucial position in the whole economy. For that reason, farmers get strong supports from the State to apply technology and new innovative idea into the production. The focus is to promote the use of based natural, environmentally friendly products, the application of low cost technology and the utilization of storage and waste. (WorldBank 2012.)

Economical

From 2000 to 2013, the GDP growth rate in Vietnam reached the highest point of 8.46% in 2007 December and lowest point of 3.14% in 2009 March. The rate fluctuated around 6.21%. (GSO 2013) Vietnam has always been a leader in agriculture export. While many countries suffered catastrophically from the recent economic crisis, Vietnam was lucky to have the agriculture sector lifting the burden in the financial collapse.

Vietnam Interest Rate reached an all-time high of 17% in 2012 (The State Bank of Vietnam 2013).

The expecting growth rate of the economy in 2013 is at 5.5, higher than 5.2 in 2012 but still illustrates a slowdown. Vietnamese government had quite tight fiscal and monetary policies to fight with inflation. The inflation did fall down from 23% in August 2011 to 7% in November 2012 (World Bank 2012). However, the sectors of state-owned enterprises or where the price is controlled have experienced a much higher inflation rate compared to other sectors. This leads to the conclusion of the ineffective operation of the government role. About the interest rate in Vietnam, it reached the peak of all-time with 17% in 2012.

According the Nielson survey (2012) on Asian consumer index, Vietnamese consumer confident index was 95, compared to 105-Southeast Asian average number (Nielsen 2012).

Environmental

The fast speed in economic transformation and heavy engagement in industrialization have left severe depredation to the environment. The most serious result is pollution in waterways. According to MONRE, there is an estimation up to two million m³ of untreated waste discharged into the water supply each day. The ineffectiveness and negligence in waste management of heavy industries (oil, gas, mining, and electric generating companies) put pressure on government to deal with a shortage of water supply and water treatment facilities. By 2020, there will be 44 municipal waste treatment plants (BOT and BIT) completed (Phu 2013). This plan is invested by the Ministry of Construction and fund raising from enterprises and public. (World Bank 2013.)

The disparities between urban and rural areas will be eliminated as long as there are improvements in capacity and infrastructure along the countries. The living standard needs to be upgraded in both areas, notably rural areas. Nonetheless, the infrastructure in Vietnam is still weak but steadily improving. This improvement will bring more business activities to the remoted areas and poor areas, helping those leveraging living standards. The Ministry of Planning and Investment planned to spend estimated to 139 billion \$ to invest in ports, roads, rail, airports and telecoms (Phong 2012). Vietnam currently has 101 radio stations, seven television stations, and five Internet service providers (World Bank 2013).

Political/Legal

In 2005, the government adopted Resolution No. 05/2005/NQ-CP on 04/18/2005 in order to stimulate the socialization of education, health, sport and culture (CSIP, British Council & CIEM 2012)

Next, the government issued Decree No. 53/2006/ND-CP dated 05/25/2006 to promote the development of non-state-owned organization to deliver public services. This Decree applies to organizations operating in the field of education –

training, health, culture, sport, science and technology, environment, society, population, family, child protection and child care. Some incentives were specified in this Decree, including:

- Incentives for construction land as state land without collecting land use fee;
- Eligibility for income tax rate of 10% during operation; VAT incentives
- Can participate in public services funded, ordered by State, and participating in bidding for contracts and projects.

By 2008, Decree 69/2008/ND-CP dated 30/5/2008 of the government regulated incentives for additional objects such as organizations and individuals operating under the enterprise law with investment projects, joint ventures or setting up establishments in the socialized sector. (CSIP & British Council, CIEM 2012.)

Ethical

Vietnamese people care more and share more for other people in difficult circumstances day by day. There is only one compulsory fund that every Vietnamese citizen needs contribution which is “Flood and Storm prevention Fund” (Linh 2011). There are an increasing number of funds and charities established each year such as Social welfare fund, Children protection fund, fund for the Elderly, Drug prevention fund, Education encourage fund, etc. The reason behind this is the growing ethical interest among Vietnamese citizen.

A large amount of fund every year did not go to the right place. The common issues of fund are slow disbursement, wrong use, wrong beneficiaries and regulation and rules inadequacy.

The most notably unveiled case was about Khanh Hoa Community First Aid training center in 2012. The director of this center has used raised fund for wrong purposes. In total 1.6 billion USA was raised, only 840 million was cashed into the center for supporting children with heart operation. The rest was used to pay to the Media Promotion Agency. Moreover, he even used funds to buy his private purpose –buying motorbike. (Hai T. 2013.)

Opportunity and threat

The STEEPLE gives an external view of the Vietnamese environment. From here, the author defines the Opportunity and Threat that social enterprises meet on the path of establishment and development.

TABLE 17: Opportunity and Threat in Vietnamese market

Opportunity	Threat
<ul style="list-style-type: none"> - High economy growth rate - Necessary solutions to compromise social issues => high demand for social enterprise approach - Effectively connecting national resources and social objectives - Fighting off unemployment and poor is the priority of government - Government gives away chance for private sector taking over public services - High level of foreign investment - Increasing trend in ethical morale - Quickly adapt to technology changes 	<ul style="list-style-type: none"> - Definition system is not transparent enough - No legal framework, special promotion act issued by government to support social enterprise - Assistance sources is decreasing - Low level of infrastructure, limited accessibility to high technology - Low public awareness on the organizations' activities - Hard to tap on all people in the bottom line - Bad quality of fund/social work channels

5.1.2 The optimal solutions

The external analysis has brought the full components in SWOT table. From here, TOWS Matrix is applied to detect a strategic recommendation for CSIP helping Vietnamese social enterprises overcoming the finding issue.

TOWS Matrix

By using the TOWS Matrix, the external factors from Opportunity would minimize the issue. The strategy needs to take into account of Threat in order to avoid it. The Strength factors create competitive advantage to eliminate issue.

TABLE 18: TOWS Matrix

Issue	Factors	Opportunity	Threat	Strength
Financial Resources	Accumulated surpluses	Promote official definition for social enterprise Legal framework on tax exemption Promotion Act on priority business bidding		Enhance those components: - Grounded in community - Mission
	Financing investment	Legal framework on priority government funding Establish promotion center for management education Upgrading financing channels		Improve business and social organization profile => more attracting for investors

At last, the solution suggested includes two aspects: internal and external.

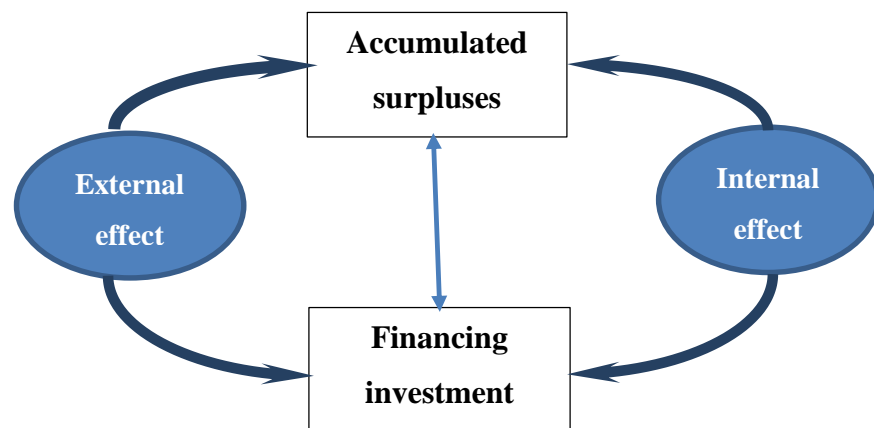


FIGURE 16: Solution components

Creating more supportive environment

Legal regulation

As reasoned in the TOWS Matrix, there should be a legal framework or official definition for social enterprise in Vietnamese. As being analysis in Chapter 3, the legal status or organization vitality has enormous impact on the revenue. The more community recognizes and supports the social enterprise, the better purchasing they will create.

There is currently no legal framework or standard definition for social enterprise in Vietnam. There are different definitions used among this sector. It comes from CSIP, Spark Foundation and Skoll Foundation. Vietnamese government should study references (Chapter 2) from leading country in this sector such as the United Kingdom, the United States, Korea and especially Thailand in order to give a new concrete definition for social enterprise sector.

As referring in Chapter 2, many countries have established quite clear standards for the regulation of social enterprise. By consulting feedback on those legal models, the author suggests some indicators. Matthew F. Doeringer in 2010 wrote an article named “Fostering social enterprise: historical and international analysis”. In this article, he explained and evaluated carefully 2 famous legal frameworks for social enterprise in the world which were Community Interest Company and Low-limited Liability Company. Below is the detail:

Community – Interest Company (CIC) is the business model designed especially for social enterprises in the United Kingdom. This model has a lot in common with limited company. However, the CIC has special restrictions guaranteeing to deliver a social benefit. The restriction of CIC can be the limited shares or limited in profit reinvested in the business. CIC can still raise equity by issuing dividend to shareholders, but the dividend has been restricted by a per share return cap of “5% of the bank of England base lending rate” (Kay 2011). By legalizing this model, UK government supports the commercial activities of social enterprise. CIC can operate as many commercial activities as they want if those return social or community benefits.

However, CIC is not capable for tax exempt the same as charities are. Therefore, in this case, CIC might meet a disadvantage of losing one of its revenue streams. To compensate for this loss, CIC often seek supports from government's social enterprise investment funds or lottery fund. Likewise, there is no prohibition in receiving support from foundations. CICs can get sponsors from foundations if the foundations request their permission from the government. (Doeringer 2010.)

A low-profit limited liability company (L3C) is the legal business form for social enterprises in the United States. This is actually a special type of Limited Liability Company (LLC). A L3C operates mostly like a LLC in issuing equity to raise capital and limiting its shareholders' liabilities. The most distinct difference between them is the ability to receive Program Related Investment (PRIs) from foundations (the PRIs are similar forms of government's social enterprise investment funds and national lottery fund in the United Kingdom). This feature also helps social enterprises to accommodate the loss in revenue streams or more particularly, capital raised. (Antony Page & Robert A. Katz, 2012.)

Both CIC and L3C give a bright prospect towards social enterprise development. However, if the Vietnamese government applies the same strategy, it might not work in the same good direction. Take a look back at the external analysis, in Vietnam; many social enterprises still operate under models of NGOs and NPOs. Simply because they need to sustain, and could not turn into a limited company in a sudden. They still need donations and sponsors from different sources. If the government applied the model CIC or L3C, there will be a lot of potential nonprofit organizations being unable to transform to social enterprise.

Moreover, the strict clause on the revenue distribution in CIC and L3C would cause difficulties for the social enterprises to raise financial capital from angel investors since they still ask for financial interest.

Thailand is Vietnam's neighbor country. There are a lot of similarities between them including geographical conditions, human characteristics, climate, resources... That is why, the experiences from Thailand government in supporting the development of social enterprises is a valuable reference source for Vietnamese.

According to Thailand government, “Social enterprises are private or people owned enterprises, which generate incomes from sales, production of goods and services. They are established with clear objectives from the beginning that be added or changed latter aiming to solve social issues and/or developing communities, tackle issues on social and/or the environment. They do not operate to maximize profits for stockholders or the business owners.” (Cahalane 2012.)

According to the discussion in Chapter 2, the evolvement of social enterprises in other countries has seen major actions from governments. Learning from that, Vietnamese government should have similar supportive actions.

The author’s indicators on the framework for social enterprise in Vietnam:

Lesson from Thailand, the definition system consists of three steps: Registering – Marking – Accrediting (TSEO 2013):

TABLE 19: Recommendation for definition system

Step	Actions taken
Registering	Any organization (NGOs, companies, cooperatives...) can register under the name social enterprise if they fit the criteria
Marking	<p>There are more layers inside the category of social enterprise. The classification system illustrates the ascending or descending level of chosen criteria. The mostly recognized criterion is the ratio of profit be reinvested into the business. For example:</p> <ul style="list-style-type: none"> - The social enterprise reinvests more than 80% of its profit into the business belonging to group A - The social enterprise reinvests 50% to 80% of its profit into the business belonging to group B - The social enterprise reinvests less than 50% of its profit into the business belonging to group C <p>Other criteria can be used is the level of income created</p>

	from commercial activities of social enterprise
Accrediting	Government would have policies or support specifically upon each group such as special funding and contract bidding opportunities...

Upgrading financing channels

The action mainly comes from the Vietnamese government. It should draft A Promotion Act on social enterprise. In here, there should announce the incentive, preference policies applied to social enterprises. Learning from Korea, on their Promotion Act, they give permission for social enterprise to approach government fund in the start-up stage. The Promotion Act also helps social enterprises in mentoring management, deducting tax and especially, receiving priority in bidding for a public services contract. (Ip 2012.)

Government should also establish social innovative funds, where great influenced social project can enjoy best environment and facilities. There is a need for cooperation between the government and intermediate organizations like CSIP to promote the concept of social enterprises. When the concept is introduced more widely, people get more interested in the sector. The effect that social enterprises create will be resonant vigorous.

In Singapore, a model of social stock market has been launched for several years (Field 2012). Despite the fact that the size of the market is still small, the idea of social enterprises listing shares has helped them partially raise an important source of capital. Vietnamese government should observe this model closely and learn experience from it.

In summary, government is the biggest and greatest external factor influences on social enterprises. With an authentic and rational policy, the government will help social enterprises overcome the issue in not only legal aspect but also financial management aspect.

Leveraging inside capacities

The support funds or stimulus policies from government only account for 50% importance in resolving the issues. Social enterprises themselves have to advance to adapt to the changes in environment, social references... As mention in Chapter 3, the secret under every social enterprise's success is the equilibrium strategy. They do business but not hurt their social results and vice versa, they dedicate to social actions but not become financially depreciated.

Enhance mission and grounded in the community components

The survey indicates that the Vietnamese social enterprises are feeling confident in these two components. However, one should never forget how important the mission consistency and community engagement are. The more appealing the mission is, the more supportive the community is. The purpose of social enterprises is to serve community needs and in return receive financial nurturing. Then, if you need to have more revenue, you need to get closer to the community.

Multiple financial back-up plans

Traditionally, philanthropy and community foundation give grants in indirect form such as training programs or technology support... Some philanthropies and foundations in Vietnam have given grants and incentive programs to social enterprises are:

- The Center for Social Initiatives Promotion (CSIP) in their report (2012) said:
 - o In 2009, CISP organized two major assistance programs: start-up and take-off for 43 social entrepreneurs and 29 social enterprises. In this program, enterprises received training on social enterprise model, management, finance and marketing skills.
 - o In 2012, CISP cooperated with the Deloitte Company in Vietnam to provide basic start-up facilities for young social ideas and projects in the whole countries. The purposes were to guide and to encourage them to turn the initiatives into social enterprises.
- Center for social enterprise development Sparks

- LGT venture Philanthropies in their official website shared that:
 - o In 2010, LGT came to Vietnam looking for an investment opportunity with a scale from 400,000 to 1,000,000 USD. However, no social enterprise was qualified to respond for this venture.
 - o LGT also provides programs in the Southeast Asian country helping social enterprises develop capacities, build up an adequate organization profile.

Venture capitalists or angel investors are looking for high interest rate of the equity investment. They understand the high risk lying in every penny spending on social enterprises. However, they accept the risks in exchange for high return rate of social impact. Typically, big corporations and celebrities spent billions Dong in charity every year. Now, they can enjoy a new channel of charity with high level of assessable return. There is no record of how many corporations spent on charity. However, it is generally expected that the bigger the company, the better philanthropy it has. Top five biggest corporations in 2012 were:

- Ha Do Group
- Petrovietnam Southern Gas
- Vincom Group
- Vietnam Dairy Products Group
- Dong Phu Rubber Group

Recently, in an article in Labor Newspaper, top four most-doing-charity celebrities in 2011 (Sa 2012) were:

- Ngoc Han – Beauty Queen
- Dam Vinh Hung – Singer
- Ho Ngoc Ha – Singer
- Chi Bao – Actor

Social enterprises' founders try to minimize the amount of debts in their working capital. However, bank's overdraft is still the most accessible short-term funding. There are an increasing number of banks in Vietnam who understand social enterprise and support with low interest policies and stimulus packages:

- LienVietPost Commercial Bank
- Vietinbank
- ABC Bank
- Etc.

Financial capital strategy

Whichever way that the social enterprise's founders use to build up their capacity, through equity or loans, they need to have proofs showing that the investors will get if not profit then social impact result in return.

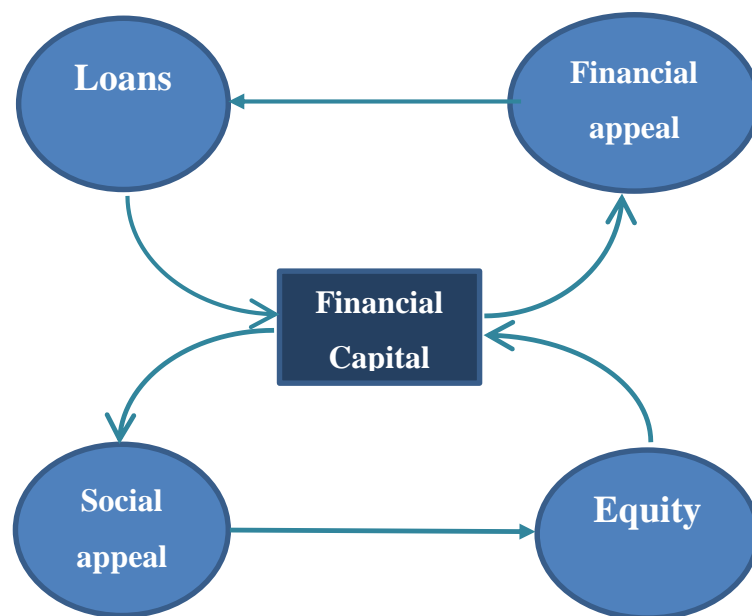


FIGURE 17: Elements of financial capital strategy

To develop and secure capital, an anticipatory, pro-active plan is suggested. A few strategic considerations include:

- Becoming financially appealing:
 - Remember to do homework about background information of the counterparty. If social enterprise wants to successfully negotiate, the first thing it needs to know is what element is important to lenders in the decision making. Emphasizing on the unique innovative approach is good. Unfortunately, almost bankers prefer presenting information about “value proposition”, “return on

investment and “debt service coverage”. (Karen Berman & Joe Knight 2006; Tris Lumley et al. 2005.)

- Always prepare a good business plan. Try to explain business in a very persuasive way. However, lenders are likely to believe it with existing data. Especially with social-business plans, they are more venturesome and more risky. Social enterprises are encouraged to build credit history and credit score (Demonstrating Value 2010).
- Present social enterprise plan in the professional way. Especially, a plan must illustrate how business can repay loans. It is best if in the plan, there is a description about case of history loan, how business repaid it and how long it takes to do it.
- Becoming socially appealing:
 - Establish long term networks: supportive community builds social enterprise's capital
 - Develop an appropriate social measurement tool, such as an alignment between social and economic objectives; it is easier to measure the social return in term of economic return.

Another method, Social Evaluator – SROI is a tool designed for facilitating the calculation of social added value creation of any project or activities of a social enterprise. (Social E-evaluation 2013)

In a nutshell, social enterprises need to have multiple financial back-up plans. There is more than one alternative to attain financial capital. Developing multiple sources for capital also reduce the risk.

5.2 Recommendations for CSIP organization

As the solution resolving the financial resources issue has been discussed in the previous chapter, in this chapter, the author will investigate on the current activities that CSIP offer to deal with this issue. There will be a benchmarking to finally conclude what CSIP have been done right and what CSIP should do to function as the solution. The final purpose is to recommend the missing programs or actions of CSIP in order to address this issue.

5.2.1 CISP introduction

Center for Initiatives Promotion (CSIP) is a Vietnamese non-governmental and non-profit organization establishing from 2009. It is at the moment the first official Vietnamese promoting center for the social enterprise sector in Vietnam (Cliff Southcombe et al. 2011). Together with CSIP, there are also Spark Center, The Foundation and British Council share hands together in this work.

CSIP's Vision

Its actions are dedicated to social entrepreneurship to be developed as a critical field that helps to address social and environmental issues and to promote social equity and sustainable development in Vietnam.

CSIP's Mission

To support social enterprises by investing directly in their development and by building an enabling environment for growing social entrepreneurship in Vietnam.

Programs

In order to promote the development of social enterprise in Vietnam, CSIP has organized different programs with specific purposes. Besides extraordinary events and programs, there are regular programs throughout the year focused on elemental purposes. They are:

- *Social Enterprises Support Program (SESP)*: CSIP provides Vietnamese social enterprises with financial assistance, intensive support for social entrepreneurship knowledge, skills training and mentoring. CSIP through this program builds a network of resources and experiences sharing.
- *Develop the capital market eco-system for social enterprise*: Working with the Vietnamese government and foreign promotion organizations, CSIP hopes one day there will be a legal friendly environment for the development of social enterprise in Vietnam. CSIP is tempted to bring new players and new forms of finance to the current market.
- *Raise public awareness, build networks and advocate the decision makers* to improve the operating environment for social enterprises.

CSIP achievement

Since 2009, CSIP has provided business support to and directly nurtured 40 social enterprises across Vietnam, which directly empowered and improved the quality of life in healthcare, education, and livelihood for 18,700 people; and 200,000 people gain impacts from the social enterprises' programs & activities

CSIP has also contributed significantly to an increased awareness and enabled policy environment for social entrepreneurship in Vietnam. Social entrepreneurship was officially and widely acknowledged in Vietnam in 2012.

Online directory of Vietnamese social enterprises is currently available. More than 200 reporters, 27 newspapers, 17 TV channels and radio stations have regularly reported on the social entrepreneurship movement in Vietnam. Youth groups have been widely engaged in social entrepreneurship movement. 39 youth-lead groups & projects on social entrepreneurship in Vietnam have inspired at least 10,000 students across the country.

CSIP has attracted more than 9,000 followers through CSIP's social network channels.

5.2.2 Benchmarking CSIP's solutions against the optimal solutions

Creating a more supportive environment

Promoting legal regulation

CSIP has introduced a definition of social enterprise to the general public as below:

- Social enterprise is “a concept that refers to the works of social entrepreneurs under different legal entities depending on specific purposes and operation conditions. Social enterprises directly target to social benefits, and are led by a strong entrepreneurial spirit to achieve both social benefits as well as economic returns”.

However, after researching on the structure of Vietnamese social enterprises, the author realized that the definition was not being used appropriately. It is a very broad definition which did lead to misunderstanding about social enterprise in public opinion. The general public does not see the differences between a social enterprise with a traditional nonprofit and a NGO. Thence, they are not motivated to support the business activities from social enterprise. Consequently, a social enterprise weakens its ability to deliver economic added value and eventually the social added value. The misunderstanding also initiated complications in the State in establishing a legal model supporting the development of social enterprise. Besides the definition, in the system of defining social enterprises in CSIP also meets some complexities, which are:

- CSIP included nonprofit in the same group with social enterprise. Many CSIP's listed social enterprises in Vietnam only received funding and donations. Even though their social actions are innovative and superior, technically they do not have a spirit of entrepreneurship as well as economic returns to define themselves as social enterprises.
- There is not yet any distinct name for different types of social enterprise. They are called non-profit social enterprise, not-for-profit social enterprise and social business venture.

As a suggested solution for the legal framework has been introduced in the former part of this chapter, CSIP should edit the definition system it provides. A suitable definition is very important since it would help to create the synchronization in the social enterprise sector. Moreover, it impellents the ability to track and trace any difficulties and the ability to compose a highest and broadest effect range among sector. In the interest of building a legal regulation, a unified definition custom builds a cornerstone and provides an applicable condition for the government to step in. The recommendations for the new definition system are suggested very detail in the optimal solutions section.

Promoting funding channels

From the beginning of the CSIP establishment, it has been able to determine the threat of lacking capital would have the biggest influence on the development of social enterprises in Vietnam. CSIP created support for both start-up capital and

growth capital. The methods that CSIP has been using are to reach out to new investors, to connect them to Vietnam social enterprises and to bring new financing channels to the current market.

CSIP has been working with three basic types of stakeholder for financial buy-in for Vietnamese social enterprises:

- International Donors: CSIP has connected with different foreign organizations and foundations in the world such as Spark Foundation, The Foundation, CEIM, etc. They have offered many large investments in potential Vietnamese social enterprises for many years. CSIP continues to target this segment as the biggest value contribution.
- Social Investors / Venture Philanthropy: LGT Venture Philanthropy is the most notable organization invests heavily in the Vietnamese social enterprise sector. It made a partnership with CSIP in delivering the SESP Program (Social Enterprise Support Program) with the role of financing support. However, the biggest barrier here is the limited number of social investors. CSIP is working very actively to obtain more collaboration opportunities.
- Corporations: Besides doing their own CSR, corporations start to realize that investing in social enterprises is another way of delivering social responsibility. CSIP has many corporations as partners such as Absolute Portfolio Management, Alterfin CVBA, etc.

Besides establishing a relationship with stakeholders, CSIP also founded a platform for crowd funding. In this forum, Vietnamese social enterprises have the chance to present their idea to attract donors and what benefit the donors get if they decide to invest. This is a very smart and practical idea since this can help to reach into the ethical community, a big opportunity in Vietnam environment and some potential sources such as celebrities. The author does not have further recommendations for CSIP on this angle.

Leveraging inside capacities

In order to help Vietnamese social enterprises build a better business capability to overcome financial resources issue, CSIP has two supportive activities which are: Public course and Consultancy.

In the consultancy service, the social enterprises which wish to order this service will need to follow three steps: Request – Advised – Apply.

Request: The object requests through email or phone. At this step, CSIP will ask the object the purpose and wants when participating in this service.

Advised: At this stage, depending on what the object wants, CSIP will offer one of two packages. Package 2 is designed to address financial issue intensively along with other issues.

Package 1: Develop business branch (CSIP 2013)

- Identify specific products / services (based on the strength of internal sources) and evaluate business potential.
- Build / adjust potential business plans based on organizations' strategic direction

Package 2: Enhance business capacity (CSIP 2013)

- Evaluation: Assess the capacity of the organization together with the external environment. The method used includes: SWOT analysis, market research and value chain analysis.
- Business plans construction: formulating vision and mission, research on the applicable brand development and marketing strategies, operational and distribution plan, human resources management strategy, financial management strategy and indexes for social impact measurement.
- Consultation of the legal framework: Reviewing and consulting the registration of operation in accordance with organizational features.

Apply: The object will be assigned to the chosen package in person or through Skype.

Another service design for promoting financial resources is the Public course. While Consultancy service delivers a short-term support, this service is designed to deliver a long-term effect for the social enterprise sector. There are two smaller courses inside which are course for start-up management and course for financial strategy. However, the financial strategy course is considered as a main part in solution to address the financial resources issue in social enterprises.

Financial strategy course (CSIP 2013)

- Motives, purposes, advantages-disadvantages of different financial sources as well as approaches to success.
- Identify the relationship among social enterprises' organs of financial management.
- Build an appropriate financial management regulations and accounting process.

CSIP has operated very well those programs. It not only evaluates but also educates social enterprises on how to excel in each component of a working entity in general. Three Vietnamese social enterprises which were in the follow-up interview also claimed a very good attitude towards the course's results. However, these do not resolve the issue of financial resources completely. When the author mentioned, in the interview about the social impact indentifying method that social enterprises learned after the course, they all expressed the wish to get more knowledge on that matter. CSIP provides a very detail on how social enterprises can record their financial activities and returns, but has not shown a clear way to measure the social returns. This missing part would result in losing potential financial sources of ethical public and angel investors.

The author benchmarks against the optimal solution proposed in the previous section to construct the missing solutions. Below is the recommendation from the author's perspective:

- Design a forum where social enterprises can receive feedback from the community about their social impact. From here, social enterprises can use it as a proof and measurement for their social results. Unfortunately, the marketplace for those equity investments is barely existed. Moreover,

people would prefer to have a list of choices, making evaluations and comparisons. Recently, there newly launched a model of Social Stock Exchange

- Design a specific course where to teach how social enterprises can formulate their social impact equations based on their own business characteristics. CSIP can brainstorm the course structure by consulting the existing course from many social enterprise university as well as social enterprise promotion centers' courses.

In summary, this chapter is the key to the outcome of this thesis. The author composes the optimal solutions based on the internal and external analysis. Thence, the optimal solutions turn into the mirror to reflect on the quality of the CSIP current solutions.

CSIP has provided different resolutions to the issue in Financial Resouses. Some are effective and some are missing important procedures. The recommendations from the author's opinion are to rebuild the definitions system and to set up social measurement forum and social measurement courses.

6 CONCLUSION AND FURTHER RESEARCH

6.1 Conclusion

The purpose of this research is improving CISP activities for the development of social enterprise in Vietnam. In order to do that, there is a need to understand the concept of social enterprise and its decisive success components. The recommendations are given based on the benchmarking of the suggested optimal solutions to the current solutions. This chapter summarizes the findings and discusses those outcomes in answering the thesis's research questions.

The table below is the summarization of the findings in relation to the answers of research's questions.

TABLE 20: Research questions and main findings

Questions	Findings
<i>Question 1:</i> What is the concept of social enterprise?	
Sub-question 1: What are the characteristics of a social enterprise	<p>Four main characteristics are:</p> <ul style="list-style-type: none"> - Enterprise orientation with a clearly defined market base - Social aims and value - Social ownership - Profits are reinvested in the community/business.
Sub-question 2: What is the social enterprise's analytical model?	The model is used to analyze social enterprise is about analyzing the success components of a social enterprise. The development of social enterprise asks for the ability to keep a balance between success components from social organization aspect and those from a business aspect.

Question 2: What is the biggest issue affecting the development of social enterprises in Vietnam and how to resolve it?	
Sub-question 1: What is the performance of each component in Vietnamese social enterprises?	<p>The analytical model applied in Vietnamese social enterprises opens the overall picture of what components is well performed and what is not.</p> <p>Obviously, the most underperforming component – Financial Resources, manifests into the biggest issue in the development process of Vietnamese social enterprises.</p>
Sub-question 2: What is the solution from the external environment in Vietnam?	<ul style="list-style-type: none"> - Building a legal framework for social enterprise - Building more financial support channels
Sub-question 3: What is the solution from inside the Vietnamese social enterprise?	<ul style="list-style-type: none"> - Enhance mission and grounded to the community component - Improve financial appeal - Improve social appeal - Multiple financial back-up plans
The main research question: What should CSIP do to improve the development of social enterprises in Vietnam?	
<ul style="list-style-type: none"> - Building a new and more suitable definition system - Design a social impact forum - Design a course for social impact formulating 	

As the results shown in table 20, the biggest issue that Vietnamese social enterprises facing, should be addressed by solutions which are consisted of both internal and external actions. Social enterprises in Vietnam found themselves with a consistent mission and greater support from government and society. However, those advantages cannot fully eliminate the issue that they are facing. The biggest issue is the inability to be proficient at financial resources.

As the financial resources component includes two elements: accumulated surpluses and financing investment. After using different analysis tools, the authors explore the optimal solutions suggested for both external and internal conditions would at most help diminish this issue. These solutions are considered as the most comprehensive and effective and would be used to benchmark against the CSIP current solutions. The final purpose is to supplement the existing solutions under the form of recommendations.

The optimal solutions for financial resources issue are to improve the operating environment with an appropriate legal regulation, new funding channels and to reinforce social enterprises' capabilities with multiple financial plans and a better financial and social appeal.

After benchmarking with CSIP current solutions for this issue, the author realizes the first recommendation is that CSIP needs to work on a more comprehensive definition system. This new definition would act as a stepping stone, a boosting power for the government regulation establishment. The second recommendation is that CSIP needs to deliver more activities aiming to enhance social return measurement of Vietnamese social enterprise. One suggestion is to build a social forum where consumers can give feedback as well as recognitions for any social benefit. Another suggestion is to design a social impact measurement course, consulting from existing courses in social enterprise universities and social enterprise promoting organizations worldwide.

6.2 Further research

Based on the thesis's conclusion, some future researches are proposed in order to further the success of the main thesis's objective.

CSIP is giving its own definition. This definition later is used as reference for the legal framework for Vietnamese social enterprise sector. There should be a study about what the details in level of profit reinvestment and percentage of disable employees in social enterprises are in the framework. These are also the important criteria in order to build a promotion act on different levels of social enterprise. Moreover, there also needs a research on tax exemption policy. Social enterprises

can achieve more advantages in dealing with financial issues if this policy is issued. However, how much government should exempt on the tax is very crucial so that it sustains an equal competition in the market.

In order to be social-impact appealing, there is in need a study about the social performance measurement, since a social objective of a social enterprise is very hard to describe in number. Moreover, the social value created is an intangible asset. In this thesis, the author suggests an alignment between social and economic returns. However, this alignment indicator depends on the industry and operating structure of the social enterprise.

7 SUMMARY

The thesis aims at improving CISP activities for the development of social enterprise in Vietnam. A research is conducted to reveal the biggest issue that social enterprises facing in Vietnam and to suggest optimal solutions overcoming it. However, the most important outcome in this thesis is through benchmarking the optimal solutions against the CSIP current solutions, the author gives recommendations at the end of the thesis.

In order to well attain the purpose of the thesis, the author divides main purpose into two smaller objectives. The first objective is to understand the concept and the method used for analyzing the social enterprise model. The second objective is to analyze the biggest issue in Vietnamese social enterprises and then to compose the recommendations based on the optimal solutions' benchmarking. The author conducts a survey and interviews with ten chosen social enterprises. The biggest issue is unveiled. From here, with the help of different analyzing tools, the author provides the optimal solutions. An interview with CSIP helps the author to make a comparison and the recommendations.

This thesis includes two main parts: the theoretical part and the empirical part.

The theoretical part presents knowledge background on social enterprise. The main framework in this study is the literature of an analytical model for social enterprise. In addition, the author provides contextual and conceptual review as the references to construct the optimal solutions in the empirical part.

An analysis of social enterprise is literally the investigation on main success components. Since social enterprise is practically working as two entities. Its success components are made up from those both in a social organization and a business. In order to succeed and develop, social enterprise must balance the interaction between all success components. From a social organization perspective, the success components are mission, organizational vitality, democratic management system and ability to be grounded in the community. From a business perspective, the success components include a definition of products and market, operations, human resources and financial resources. The

underperformance of any among those eight components would create the tension and issue against the developing process.

The empirical part applies the theoretical framework to the case of ten Vietnamese social enterprises. The research methods are survey and follow-up interview. The choice of social enterprise is made carefully with hope to delivering the highest level of representativeness. The result unveils the most underperform component which is the biggest issue of social enterprises in Vietnam.

After exposing the issue, different analysis tools are applied to examine the internal and external factors. Combining with the reference introduced in Chapter 2, the author conducts the suggested optimal solutions. The optimal solutions are used for benchmarking against CSIP current solution. The final thesis's outcome is the recommendations to CSIP.

The responses from ten Vietnamese social enterprises show that the biggest issue lies in financial resources. The optimal solutions are constructed with two parts. The solutions for operating environment ask for an adequate legal regulation and accessible funding channels. The remained solution is to improve social enterprise capabilities. One of them is the ability of establishing a close relationship to the community. Social enterprises would be benefited from a multiple financial back-up plan together with a good profile for investable appealing, both social and financial.

CSIP has been providing different promoting activities as well as solutions addressing issues for Vietnamese social enterprises. From the view of recommending, CSIP needs to rebuild a more suitable definition of social enterprise. The new definition would give more positive conditions for government actions consequently. Furthermore, a social forum and a special intensive training program about becoming socially appealing which has obviously been missing in financially supporting programs should be created for the sake of the financial issues.

In conclusion, the thesis has unveiled the biggest issue and proposed recommendations to CSIP. However, the generalizability of the sample for the conclusion is considered as not the most ideal.

REFERENCES

Publication

Alessia D'Amato, Sybil Henderson, Sue Florence. (2009). *Corporate Social Responsibility and Sustainable Business: A guide to leadership tasks and functions*. North Carolina: Center for Creative Leadership.

Alter, S. K. (2000). *A Business Planning Reference Guide for Social Enterprises*. Creative Commons Attribution-Share Alike.

Anderson, J. D. (2006). *Qualitative and Quantitative research*. Imperial COE.

Antony Page, Robert A. Katz. (2012). *Is social enterprise is the new corporate social responsible?* Seattle: Indiana University.

AustrianInstitute. (2007). *Austrian Institute for SME research*. Australia.

Bidet, E. (2008). The rise of work intergration and social enterprise in South Korea. *2nd EMES-ISTR International Conference* (pp. 9-12). Barcelona: University of Barcelona.

Boehm, A. (2009). Business social responsibility: Perspectives of Business and Social Workers. *Journal of Social Service Research*, 35, 262-273.

Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*. New York: Oxford University.

Brett R. Smith, Maria L. Cronley, Terri F. Barr. (2012). Funding Implications of Social Enterprise: The Role of Mission Consistency, Entrepreneurial Competence, and Attitude Towards Social Enterprise on Donor Behavior. *Journal of Public Policy & Marketing*, 31(1), 142-157.

Bull, M. (2006). *Balance: Unlocking performance in Social Enterprises*. Manchester: Manchester Metropolitan University Business School.

C. Borzaga, J. Defourny. (2001). *The emergence of social enterprise*. New York: Routledge.

Carbinetoffice. (2006). *Social enterprise action plan: Scaling new heights*. London: HM Government.

Chell, E. (2007). Social enterprise and entrepreneurship. *International small business journal*, 25(1), 5-26.

Chris Mason, James Kirkbride, David Bryde. (2007). From Stakeholders to institutions: the changing face to social enterprise governance theory. *Management Decision*, 45(2), 284-301.

Chris Mason, Maureen Royce. (2011). Fit for purpose: Board development for social enterprise. *Journal of Finance and Management in Public Services*, 6(3), 57-67.

Conway, C. (2008). Business planning training for social enterprise. *Social Enterprise Journal*, 4(1), 57-73.

Corner, Ph.D. & Ho, M. . (2010). How opportunities develop in social entrepreneurship. *Entrepreneurship Theory and Practice*, 34(4), 635-659.

Cliff Southcombe, Markcom, CSIP. (2011). *Vietnam 2011 Social Enterprises Mapping Project*. Hanoi: CSIP.

Crimmins, J. C. & Keil, M. (1983). *Enterprise in nonprofit sector*. New York: The Rockefeller Brothers Fund.

CSIP, British Council, CIEM. (2012). *Social enterprise in Vietnam: Concept, Context and Policies*. Hanoi: Bristish Council.

Cummings, B. (2012). *Benefit corporations: how to enforce a mandate to promote the public interest*. Columbia.

Dart, R. (2004). The legitimacy of social enterprise. *Nonprofit management and leadership*, 14(4), 411-424.

Demonstrating Value. (2010). *Financial Intelligence: A guide for social enterprise*. Demonstrating Value.

- Doeringer, M. F. (2010). Fostering social enterprise: historical and international analysis. *Duke Journal of Comparative and International Law*, 20(291), 291-329.
- Drew Tulchin, Sunny Yi-Han Lin. (2012). *Capital Sources for Social Enterprise*. Social Enterprise Associates.
- Eikenberry, A. & Kluver, J. . (2004). The marketization of the nonprofit sector: Civil society at risk? *Public Administration Review*, 64(2), 132-140.
- Fiona Wilson, J. E. (2013). Business models for people, planet (& profit): exploring the phenomena of social business, a market-based approach to social value creation. *Small Bus Econ*, (40), 715-737.
- Gordon Liu, Teck-yong Eng, Sachiko Takeda. (2013). *An investigation of Marketing capabilities and Social enterprise performance in the UK and Japan*. Texas: Bayler University.
- Gregory Dees, Jed Emerson, Peter Economy. (2001). *Enterprising Nonprofit: A toolkit for social entrepreneurs*. Danvers: John Wiley and Sons, Inc.
- Hynes, B. (2009). Growing the social enterprise - issues and challenges. *Social Enterprise Journal*, 5(2), 114-125.
- IFF. (2005). *A Survey of Social Enterprises across the UK*. London: IFF Research Ltd.
- Jacques Defourny, Shin-Yang Kim. (2011). Emerging models of social enterprise in Eastern Asia: a cross country analysis. *Social Enterprise Journal*, 7(1), 86-111.
- James Austin, Howard Stevenson, Jane Wei-Skillern. (2006). Social and Commercial Entrepreneurship: Same, Different, or Both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.
- Jonathan Moizer, Paul Tracey. (2010). Strategy Making in Social Enterprise: The role of resource allocation and its effects on organizational sustainability. *Systems Research and Behavioral Science*, 252-266.

Karen Berman, Joe Knight. (2006). *Financial Intelligence: A manager's guide to knowing what the numbers really mean*. Boston: Harvard Business School.

Kay, A. (2011). The development of social enterprise from the point of view of Social Inclusion. *Japan social innovation Journal*, 1(1), 12-23.

Kerlin, J. A. (2012). Defining social enterprise across different contexts: a conceptual framework based on institutional factors. *Nonprofit and voluntary sector quarterly*, 42(1), 84-108.

Kim, S. (2009). The dynamics of social enterprise in South Korea. *EMES Conferences Selected Papers Series*, ECSP-T09-10.

Kivi, A. (1873). *Seittemän veljestä*. Porvoo: WSOY.

LAMK. (2011). *Opinnäytetyöohjeet*. (LAMK) Retrieved 11 30, 2011, from Reppu.

Les, E. & Kolin, M. . (2009). *Social enterprise in East-Central Europe. Social enterprise: A global comparison*. Lebanon.

Mark Richard Hayllar, Roger Wettenhall. (2013). As public goes private, social emerges: the rise of social enterprise. *Public Organization Review*, 13, 207-217.

Mawdudur Rahman, Mostaq Hussain. (2012). Social business, accountability and performance reporting. *Humanomics*, 28(2), 118-132.

Mike Bull, Rory Ridley-Duff, Doug Foster, Pam Seanor. (2010). Conceptualising entihcal capital in social enterprise. *Social Enterprise Journal*, 250-264.

Ministry of Labor, Invalids, Social Affairs. (2001). *Porvety Alleviation Strategy*. Hanoi: Ministry of Labor, Invalids, Social Affairs.

Mirjam Schöning, Abigail Noble, Andreas Heinecke, Ann-Kristin Achleitner, Judith Mayer. (2012). *The Governance of Social Enterprises: Managing Your Organization for Success*. Geneva: SCHWAB FOUNDATION FOR SOCIAL ENTREPRENEURSHIP.

Muhammad Yunus, Bertrand Moingeon, Laurence Lehmann-Ortega. (2010). Building social business models: lessons from the Grameen experience. *Long Range Planning*, (43), 308-325.

NatWest, The Royal Bank of Scotland. (2012). *A business planning guide to developing a social enterprise*. European Union.

Nyssens, M. (2009). Western Europe. *Social Enterprise: A global comparison*, 12-34.

Pam Seanor, Mike Bull, Rory Ridley-Duff. (2007). Contradictions in social enterprise: do they draw in straight lines or circles? *Institute for Small Business & Entrepreneurship*, 3.

Patricia Márquez, Ezequiel Reficco, Gabriel Berger. (2010). *Socially Inclusive Business: Engaging the Poor through Market Initiatives in Iberoamerica*. Social Enterprise Knowledge Network.

PHKK. (2010, 11 11). *henkilöstöluettelo*. Retrieved 11 30, 2011, from PHKK kotisivu: phkk.fi

Pittman, D. (2008). *Managing Business Performance: The metrics that matter*. Australia: Managing Business.

Poister, T. H. (2003). *Measuring Performance in Public and Nonprofit Organizations*. San Fransico: John Wiley and Sons Inc.

RISQ. (2009). *Financial Analysis of a social enterprise*. Quebec: Réseau d'Investissement Social du Québec.

RISQ. (2009). *Social enterprise's analytical model*. Québec: Réseau d'Investissement Social du Québec.

Roger Spear, Eric Bidet. (2005). Social enterprise for work integration in 12 European countries: a descriptive analysis. *Annals of public and cooperative economics*, 76(2), 195-231.

- Ron, D. (2003). *Enterprise Performance Management Done Right: An Operating System for Your Organization*. Canada: John Wiley and Sons Inc.
- Salamon, L. (1993). The marketization of welfare: Changing nonprofit and for-profit roles in the American welfare state. *Social Service Review*, 67(1), 16-39.
- Salkie, F. (n.d.). *Defining the Social Economy*. Edmonton.
- Saul, J. A. (2003). *Nonprofit Business Intelligence—How to Measure and Improve Performance*. Canada: OrgWise.
- Sema Sakarya, Muzaffer Bodur, Ozlem Yildirim-Oktem, Nisan Selekler-Goksen. (2012). Social Alliances: Business and social enterprise collaboration for social transformation. *Journal of Business Research*, 65, 1710-1720.
- Simpacta, Redochre. (2010). *Social Entrepreneurship Awards Toolkit: Funding and Financing*.
- Thankyou. (2013). *Impact*. Retrieved from thankyou: <http://thankyou.co/projects>
- Thomas S. Lyons, Joseph Townsend, Ann Marie Sullivan. (2010). *Social enterprise's expanding position in the nonprofit landscape*. New York: NESCE.
- Tris Lumley, Cathy Langerman, Martin Brookes. (2005). *Funding success: NPC's approach to analysing charities*. New Philanthropy Capital.
- TSEO. (2013). *Social Enterprise and Public Services. Thailand perspective*. Berlin: Thai Social Enterprise Office.
- Tsukamoto I., Nishimura M. (2009). *Social enterprise in Japan*. London: In J. Kerlin.
- VCASD. (2007). *Social what? Defining and mapping the characteristics of social enterprises in Bedfordshire*. South Bedfordshire: Voluntary and Community Action South Bedfordshire.

Electronics References

Anderson, A. (2013). *Three Things to Improve My Democratic Leadership Style*. Retrieved from Houston Chronicle: <http://smallbusiness.chron.com/three-things-improve-democratic-leadership-style-17427.html>

Bevmeldrum. (2011, 9 25). *Charity vs Social Entrepreneurship – 5 Differences*. Retrieved from Social Enterprise Stuff: <http://socialenterprisestuff.wordpress.com/2011/09/25/charity-vs-social-entrepreneurship-5-differences/>

Cahalane, C. (2012, 9 7). *Thai social enterprises are booming thanks to strong government support*. Retrieved from The guardian: <http://www.theguardian.com/social-enterprise-network/2012/sep/07/social-enterprise-thailand-strong-government>

Cahalane, C. (2013, 9 3). *Social enterprises lead the way in market innovation*. Retrieved from The Guardian: <http://www.theguardian.com/social-enterprise-network/2013/sep/03/social-enterprises-and-markets>

CDFW. (2013). *Enhance Organizational Vitality by Focusing on Employees and Internal Systems*. Retrieved from The California Department of Fish and Wildlife: <http://www.dfg.ca.gov/about/strategy/initiatives/6.html>

DDDT. (2013). *Relay For Social Enterprise Development in Vietnam*. Retrieved from News Events: <http://morningstarcenter.net/modules.php?name=News&op=viewst&sid=105>

Dee, J. (2003). *Social Entrepreneurship is about Innovation and Impact, not Income*. Retrieved from SocialEdge Online: <http://skoll.socialedge.org/?293@@.lad86d9e>

Democratic management. (2013). Retrieved from Types of management: <http://www.typesofmanagement.net/democratic-management/>

CSIP. (2013). *About us: CSIP*. Retrieved from CSIP Web site: <http://www.doanhnhanhxahoi.org/en/about-us>

CSIP. (2013). *Consutancy Services to Develop Social Enterprises*. Retrieved from CSIP support social entrepreneur:

<http://www.doanhnhanhxahoi.org/en/content/consutancy-services-develop-social-enterprises>

CSIP. (2013). *Financial Strategy for Social Enterprises (FSSE)*. Retrieved from CSIP support social entrepreneur:

<http://www.doanhnhanhxahoi.org/en/content/financial-strategy-social-enterprises-fsse>

Factbook, C. W. (2013, 2 21). *Vietnam Demographics Profile 2013*. Retrieved from Index Mundi:

http://www.indexmundi.com/vietnam/demographics_profile.html

Field, A. (2012, 4 27). *Singapore's Social Enterprise Stock Exchange to Launch Soon*. Retrieved from Forbes:

<http://www.forbes.com/sites/annefield/2012/04/27/singapores-social-enterprise-stock-exchange-to-launch-soon/>

Glen Lougheed, Marty Donkervoort. (2013, 8 2). *Marketing Social Enterprise: To sell the cause, first sell the product*. Retrieved from Social enterprise world 2013

Forum: <http://www.socialenterpriseworldforum.org/blog/2013/08/02/marketing-social-enterprise-to-sell-the-cause-first-sell-the-product/>

GSO. (2010). *Vietnam index report 2010*. Retrieved from General Statistic Office:

www.gso.gov.vn

GSO. (2013). *VIETNAM GDP GROWTH RATE*. Retrieved from Trading

Economics: <http://www.tradingeconomics.com/vietnam/gdp-growth>

Hai, H. (2012, 9 26). *Vietnam is aging with "dizzy" pace*. Retrieved from Dien dan dan tri Vietnam: <http://dantri.com.vn/suc-khoe/gia-hoa-dan-so-viet-nam-nhanh-chong-mat-783213.htm>

Hai, T. (2013, 10 27). *QUANG BINH authority 2 years in a row hid fund and charity*. Retrieved from Mai Thanh Hai Blog:

<http://maithanhhaiddk.blogspot.fi/2013/10/vksnd-tinh-quang-binh-2-nam-lien-tron.html>

Hartley, C. (2011, 8 3). *Best bits: Finding your market*. Retrieved from The Guardian: <http://www.theguardian.com/social-enterprise-network/2011/aug/03/social-enterprise-marketing-advice>

Harvey, T. (2012, 8 20). *Archive for the 'Organizational Vitality' Category*. Retrieved from Advancing leader vitality: <http://tomharvey-me.com/blog/?cat=7>

Ip, M. (2012, 8 14). *HOW KOREA SUPPORTS SOCIAL ENTERPRISE AND WHAT POLICY MAKERS CAN LEARN*. Retrieved from Social Enterprise Buzz: <http://www.socialenterprisebuzz.com/2012/08/14/how-korea-supports-social-enterprise-and-what-policy-makers-can-learn/>

Linh, M. (2011, 10 24). *CHARITY WORK IN VIETNAM*. Retrieved from Communauté Vietnamienne: <http://www.saintdefendent.org/news000105bb.php?PHPSESSID=895eb3219c75f3548b4b43b2a46b105f>

Nielsen. (2012, 11 12). *Nielsen Global Survey of Consumer Confidence and Spending Intentions Q3/2012*. Retrieved from Nielsen: <http://www.nielsen.com/intl/vn/news-insights/reports/2012/nielsen-global-survey-of-consumer-confidence-and-spending-intent1.html>

OEDC. (n.d.). *THE SOCIAL ENTERPRISE SECTOR: A CONCEPTUAL FRAMEWORK*. Retrieved from OEDC: www.oecd.org/regional/leed/37753595.pdf

Richard, D. (2013, 9 24). *How to grow a social enterprise with Doug Richard*. Retrieved from YouTube: <http://www.youtube.com/watch?v=hpdLSPbJ5VE>

Sa, C. (2012, 3 5). *Which Vietnamese celebrities do the most charity?* . Retrieved from Suc Khoe Doi song: <http://suckhoedoisong.vn>

Salter, D. (2013, 5 29). *9 billion good reasons to invest in social entrepreneurship*. Retrieved from Escuela de organizacion industrial:

<http://www.eoi.es/blogs/danielsalter/2013/05/29/9-billion-good-reasons-to-invest-in-social-entrepreneurship/>

The State Bank of Vietnam. (2013). *VIETNAM INTEREST RATE*. Retrieved from Trading Economics: <http://www.tradingeconomics.com/vietnam/interest-rate>

VATES, F. (2013). *Social Enterprises in Finland*. Retrieved from Sosiaalinen Yritys: http://www.sosiaalinenyritys.fi/sofi_english

WorldBank. (2012, 25 9). *Vietnam in 2012: Lower Inflation Amidst Slower Growth*. Retrieved from The World Bank: <http://www.worldbank.org/en/news/feature/2012/12/26/vietnam-in-2012-lower-inflation-amidst-slower-growth>

WorldBank. (2012). *Vietnam Innovation Day 2011 - Innovation for Social Equity and Sustainable Growth*. Retrieved from The World Bank: <http://wbi.worldbank.org/wbdlm/competition/2011-country-dm-vietnam-innovation-social-equity-and-sustainable-growth>

WorldBank. (2013). *GINI INDEX IN VIETNAM*. Retrieved from Trading Economics: <http://www.tradingeconomics.com/vietnam/gini-index-wb-data.html>

WorldBank. (2013). *Vietnam - Infrastructure, power, and communications*. Retrieved from Encyclopedia of the Nations: <http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Vietnam-INFRASTRUCTURE-POWER-AND-COMMUNICATIONS.html#ixzz2ep4dzJ10>

Survey

Author. (2013). *Vietnamese social enterprises survey's responses*. Retrieved from Google Drive:

<https://docs.google.com/spreadsheet/ccc?key=0AhQe4yNxJlBXdEdKNEQwTkp2MmZxMzJhQU1nRm9ZZGc#gid=0>

APPENDICES

Appendix 1

Organization	Mission	Enterprise model
CEP	The mission of CEP is to work with, and for, the poor and poorest to realize sustained improvements in well-being, through the provision of financial and complementary non-financial services in an honest, efficient and sustainable manner.	Offering two standardized loan products, to be used for income generation, and two savings products Loans are targeted at the poor and are provided to the client based on their commitment to repay the loan, with no collateral required.
Research and training center for community development	To serve as a technical resource center of information and tools in order to create sustainable links, collaboration and support for vulnerable groups in Vietnam. Improving primary healthcare system and foster development opportunities for vulnerable groups. Highlighting and enriching resources and strengths of communities through training, consulting and the introduction of suitable pilot models	The main activities of the research center including training, consultancy and implementing of pilot models in the field of mental health, disorder prevention, nutrition and prevention of micro nutrient deficiency, developing health care system in an equitable and effective way, improve social relations to serve the community development objectives.
KOTO restaurant and training center	To change the lives of disadvantaged children in Vietnam	KOTO Foundation provides the youth with a two-year training program in hospitality at its training centers in Hanoi and Saigon. KOTO Enterprise comprises restaurants, catering services, online bakery and cooking class.
TO HE stock company	To introduce to the market new product lines which use eco-friendly material and children creativity.	50% profit of Tohe's business will put into Tohe foundation, which will be used to cover the following activities:

	<p>To create opportunities for children, especially disadvantage children and children with disability to access to creativity and outdoor activities.</p> <p>To support young disable group for job training and income generation through the participation in the productions of your products.</p> <p>To build the awareness of the consumers on the choices of the product which aims at environmental conversation and fair trade.</p> <p>To create the volunteer opportunities to young students to access to development and social work.</p>	<ul style="list-style-type: none"> - To pay the copy right to the children whose paintings are used on Tohe's products - To grant activities in the sector of children care and protection and to support disadvantaged children and children in difficulties.
Hoa Sua tourism economics high school	<p>Help young people in difficult circumstances and disabilities throughout Vietnam with training opportunities, building an independent life, equality and respect in society</p>	<p>Hoa Sua build a vocational training program restaurant - hotel prestige, quality, national standards, international and highly regarded in the industry.</p> <p>Hoa Sua ensure that students have the opportunity to practice regularly through the restaurant and shop practice, help them early and continuous approach to quality standards in restaurants, hotels</p> <p>In addition to the restaurants - hotels, Hoa Sua deployed service system: Cooking classes, short-term training and improving, Party Services, Products and Services.</p>
The will the live Center	<p>The Will to Live Center, a Social Enterprise, operates in the field of supporting and assisting the handicapper's integration completely through training, orienting and consulting in order to help disabled people find suitable jobs and</p>	<p>In order to help the learners to get familiar with and continue improving their working skills after graduation as well as to guarantee the financial stability of the center, the Will to Live limited company has been established to</p>

	<p>sources to consume their products. By doing this, the handicapped will build up their confidence, find it easy to integrate into Community and lessen social and familial burdens.</p>	<p>provide services including:</p> <ul style="list-style-type: none"> - Website design - Graphic design - Counselling and supplying computers and related components - Online advertisement - Gift printing (shirt, glass, plate, brick, etc.) - E-commerce (product sales promotion for the center of PWDs) - Airplane ticket services <p>THE SOCIAL ACTIVITIES</p> <ul style="list-style-type: none"> - Organizing and calling for charitable activities - Creating a playground for networking and community connections - Participating in other social activities.
Mai Vietnamese handicraft	<p>An income generating and educational project for poor and disadvantaged women</p> <p>Provides employment and training as well as promoting self-reliance amongst disadvantaged families and ethnic minorities in Southern Vietnam.</p>	<p>Provides employment and training as well as promoting self-reliance amongst disadvantaged families and ethnic minorities in Southern Vietnam.</p> <p>Selling Vietnamese handicrafts product to export and local market</p>
Center for Community Health Research and Development	<p>CCRD's mission is to contribute to the improvement and equity of health care and social advancement for the Vietnamese people through a systematic and sustainable approach that combines sound knowledge, cultural sensitivity and capacity building.</p>	<p>Produce various health and development communication products, applying state-of-the-art and effective approaches including behavior change communication and entertainment-education</p> <p>Conducting national sampling surveys in</p>

		<p>the health sector from which findings have been applied to health policy changes and interventions</p> <p>Provide training courses on health communication, including training in health communication program design, implementation, monitoring and evaluation and training courses on public health research.</p>
Clan library and parent bookcase	<p>This is the model family mobilize rural general together establish their bookcases on each line to serve the people, meet the cultural needs of the people read in the book missing.</p>	<p>The organization convinced sponsors, publishers donated books and funds to support the establishment of the family bookshelves, and mobilize the patriarch of the family everywhere agreed to establish bookcase, assigning a manager bookcases, free service to people inside and outside the family.</p>

Appendix 2

This is the link to the survey:

https://docs.google.com/forms/d/13P2yUSM15oQ1_xZzOfvgLw0jYwPY1teErKKr7wq_pf8/viewform

Edit this form

Analytical survey for Vietnamese social enterprise

*** Required**

Mission assessment *

Please rate the level of proficiency of each criteria below

	Yes/Strong	Somehow /Adequate	No/Weak
Short and sharply focused?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inspiring your community?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A statement of why you do what you do or why the organization exists?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Focus on your opportunities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Match to your competence?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meaningless without action?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consistent throughout your operations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Grounded in the community assessment *

Please rate the level of proficiency of each criteria below

	Strong	Adequate	Weak
Moral or financial support from community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The commitment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

of community
towards the
management of
social enterprise
and its risk

☐
☐
☐

The possible
chance for a
collaboration
between social
enterprises with
other partners in
the economy

☐
☐
☐

The recognition of
the social
enterprise by its
private or public
financial bankers

☐
☐
☐

This is the information on the next question

- ☐ - Vital engagement: A vitality is strong when every member shares the same commitment to the organization's success. Their actions are consistent with the company's mission and vision.
- ☐ - Vital competence: All members of the organization understand their roles and responsibilities. They take any opportunities to develop themselves, with both requisite knowledge and emotional intelligence.
- ☐ - Vital communication: Employees are active in participating in the cooperation among every department in organization. They feel engaged to other employees and give highest effort in contribution to an overall performance of the operation.

Organizational Vitality assessment *

Please rate the level of proficiency of each criteria below

	Strong	Adequate	Weak
Vital engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vital competence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vital communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Democratic Management assessment *

Please rate the level of proficiency of each criteria below

Strong Adequate Weak

Time amount of decision making process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Level of satisfactions on each final decision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The effect of decision on the operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Market/Products assessment *

Please rate the level of proficiency of each criteria below

	Strong	Adequate	Weak
Product Innovativeness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Target market achievement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to set the changes to the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to adapt to the changes of the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The response to the competition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Two types of product work smooth together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy to market products to community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Operations assessment *

Please rate the level of proficiency of each criteria below

	Strong	Adequate	Weak
Appropriateness of			

pricing policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of deliver products to target customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of sales and revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supply and sources of material and the management of purchases and stocks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Techonology unitized, infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The cooperation of different departments inside company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ability to minimize unnecessary cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human Resources assessment *			
Please rate the level of proficiency of each criteria below			
	Strong	Adequate	Weak
Ability and requirement of management employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A policy of recruitment both paid and volunteer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A policy of remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to create a good morale in employee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

structure

Manager-employee
relationship

☐
☐
☐

Productivities and
creativity of
human resources

☐
☐
☐

Financial Resources assessment *

Please rate the level of proficiency of each criteria below

	Strong	Adequate	Weak
Adequate different types of financial report (Cashflow, Profit & Lost, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy and able to conduct financial ratio from reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expected amount of accumulated capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capable of attracting investments from different sources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social impact measurement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attitude of shareholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please fill in the name of your social enterprise *

Submit

Never submit passwords through Google Forms.

100%: You made it.

Appendix 3

<i>Components</i>	<i>Overall Score</i>
<i>Mission</i>	26.85
<i>Organizational Vitality</i>	25.67
<i>Democratic Management System</i>	18
<i>Grounded in the Community</i>	26
<i>Market/Products</i>	25
<i>Operations</i>	22.86
<i>Human Resources</i>	24.86
<i>Financial Resources</i>	17.5